
A

**CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS**

ISSUED BY

**THE GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES
(AUTHORIZING BODY)**

ISSUED TO

**SOUTH CANTON SCHOLARS CHARTER ACADEMY
(A PUBLIC SCHOOL ACADEMY)**

CONFIRMING THE STATUS OF

SOUTH CANTON SCHOLARS CHARTER ACADEMY

AS A

PUBLIC SCHOOL ACADEMY

DATED: JULY 1, 2011

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Contract to Charter a Public School Academy

Pursuant to Part 6a of the Revised School Code ("Code"), being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the Grand Valley State University Board of Trustees ("University Board") issues a contract to South Canton Scholars Charter Academy (the "Academy"), to be effective July 1, 2011, confirming the Academy's status as a public school academy in this State. The Parties agree that the issuance of this Contract is subject to the following Terms and Conditions:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever capitalized, shall have the meaning set forth in this section:

- a) **Academy** means the Michigan non-profit corporation authorized by this Contract.
- b) **Academy Board** means the Board of Directors of the Academy authorized by this Contract. **Academy Board member** or **Academy Director** means an individual who is a member of the Academy Board, whether in the past, present or future.
- c) **Applicable Law** means all state and federal law applicable to public school academies.
- d) **Applicant** means the person or entity that submitted the public school academy application to the University for the establishment of the Academy.
- e) **Application** means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
- f) **Authorization Resolution** means the resolution adopted by the Grand Valley State University Board of Trustees approving the issuance of a Contract.
- g) **Charter School** means public school academy.
- h) **Code** means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- i) **Contract** means, in addition to the definitions set forth in the Code, the Terms and Conditions and the Schedules.
- j) **Educational Management Organization** means a person or entity that meets the definition of an Educational Management Organization as that term is used in Part 6a of the Code, including an entity that has entered, or entities that may in the future enter, into an agreement with the Academy.
- k) **Fund Balance Deficit** means the Academy has more liabilities than asset at the end of any given school fiscal year, and includes any fiscal year where the Academy would have had a budget deficit but for a financial borrowing from, or monetary contribution by an Educational Management Organization or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support

from an Educational Management Company or other person or entity that does not require repayment by the Academy, and is not conditioned upon the actions or inactions of the Academy Board, then such gift or grant shall not constitute a financial borrowing or contribution for purposes of determining a Fund Balance Deficit.

- l) **Master Calendar of Reporting Requirements (MCRR)** means the compliance certification duties required of the Academy by the University Board. The University Charter Schools Office may amend the MCRR each fiscal year or at other times as deemed appropriate by the University President. These changes shall be automatically incorporated into the Contract and shall be exempt from the Contract amendment procedures under Article IX of these Terms and Conditions.
- m) **Method of Selection Resolution** means the resolution adopted by the University Board providing for the method of selection, length of term, number of members, qualification of Board Academy members and other pertinent provisions relating to the Academy Board.
- n) **Resolution** means any resolution adopted by the Grand Valley State University Board of Trustees.
- o) **Schedules** mean the schedules incorporated into and part of the Terms and Conditions.
- p) **Terms and Conditions** means this document entitled Terms and Conditions of Contract issued by the Grand Valley State University Board of Trustees.
- q) **University** means Grand Valley State University established pursuant to Article VIII, Sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.841 *et seq.*
- r) **University Board** means the Grand Valley State University Board of Trustees.
- s) **University Charter Schools Hearing Panel or Hearing Panel** means such person(s) as designated by the University President.
- t) **University Charter Schools Office or CSO** means the office the University Board, by issuance of this Contract, hereby designates as the point of contact for public school academy applicants and public school academies authorized by the University Board. The University Charter Schools Office is also responsible for managing, implementing, and overseeing the University Board's responsibilities with respect to the Contract.
- u) **University Charter Schools Office Director or CSO Director** means the person designated by the University President to administer the operations of the University Charter Schools Office.
- v) **University President** means the President of Grand Valley State University or his or her designee.

Section 1.2. Schedules. All Schedules to this Contract are part of this Contract.

Section 1.3. Statutory Definitions. Statutory terms defined in the Code shall have the same meaning in this Contract.

Section 1.4. Application. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. In the event that there is an inconsistency or dispute between materials in the Application and the Contract, the language or provisions in the Contract shall control.

Section 1.5. Conflicting Contract Provisions. In the event that there is a conflict between the language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection Resolution shall control over any other conflicting language in the Contract; (ii) the Authorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution and the Authorizing Resolution; and (iv) the Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution, Authorizing Resolution and these Terms and Conditions.

ARTICLE II

ROLE OF GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES AS AUTHORIZING BODY

Section 2.1. University Board Resolutions. For purposes of this Contract, the University Board has adopted the following resolutions:

(a) Method of Selection Resolution. The University Board has adopted the Method of Selection Resolution which is incorporated into this Contract as part of Schedule 1. At anytime and at its sole discretion, the University Board may amend the Method of Selection Resolution. Upon University Board approval, changes to the Method of Selection Resolution shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of the Terms and Conditions.

(b) Authorizing Resolutions. The University Board has adopted the Authorizing Resolution which is incorporated into this Contract as part of Schedule 1.

Section 2.2. Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Contract and incorporated into this Contract as Schedule 5. Additionally, the Academy shall be responsible for the following:

- a) In the event that the University President determines that the Academy's educational outcomes should be reviewed to help determine if the Academy is meeting the educational goals set forth in the Schedules, the University President, at his or her discretion, may require an objective evaluation of student performances by an educational consultant, acceptable to both the Academy and the University President. The Academy shall pay for the expense of the evaluation. In addition, at any time, the University President may require an evaluation of

student performance to be selected by and at the expense of the University. The Academy shall cooperate with the evaluation, including any student testing required.

- b) Within ten (10) days of receipt, the Academy shall notify the University Charter Schools Office of correspondence received from the Department of Education or State Board of Education that requires a written or formal response.
- c) Within ten (10) days of receipt, the Academy shall report to the University Charter Schools Office and the University Counsel Office any litigation or formal proceedings alleging violation of Applicable Law or contractual agreement against the Academy, its officers, employees, agents, and/or contractors.
- d) The Academy shall permit review of the Academy's records and inspection of its premises at any time by representatives of the University. Normally, such inspections shall occur during the Academy's hours of operation and after advance notice to the Academy.

Section 2.3. University Board Administrative Fee. During the term of this Contract, the Academy shall pay the University Board an administrative fee of 3% of the state school aid payments received by the Academy. For purposes of this Contract, state school aid payments received by the Academy in July and August in any given year shall be deemed to have been received by the Academy during the Contract term. This fee shall be retained by the University Board from each state school aid payment received by the University Board for forwarding to the Academy. This fee shall compensate the University Board for issuing the Contract and overseeing the Academy's compliance with the Contract and all Applicable Law.

Section 2.4. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. The University Board shall, within three (3) business days, forward to the Academy all state school aid funds or other public or private funds received by the University Board for the benefit of the Academy. The University Board shall retain any amount owed to the University Board by the Academy pursuant to this Contract. For purposes of this section, the responsibilities of the University Board, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 4.

Section 2.5. Authorization of Employment. The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 7-3. However, the Academy Board shall prohibit any individual from being employed by the Academy, an Educational Management Organization or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The Academy Board may contract with an Educational Management Organization or an employee leasing company to provide persons to perform work at the Academy. Before entering into an agreement with an Educational Management Organization or an employee leasing company to provide persons to perform work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Charter Schools Office. A copy of the agreement between the Academy Board and the Educational Management Organization or employee leasing company shall be included as part of Schedule 7-3.

Section 2.6. Financial Obligations of the Academy are Separate from the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be assigned or pledged for the payment of any Academy contract, agreement, note, mortgage, loan or other instrument of indebtedness.

Section 2.7. Academy Has No Power to Obligate or Bind State of Michigan, University Board or the University. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, University Board or the University, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, University Board or the University in any way guarantee, are financially obligated, or are in any way responsible for any contract, agreement, note, mortgage, loan or other instrument of indebtedness entered into by the Academy.

Section 2.8. Authorizing Body Contract Authorization Process. Pursuant to the Code, the Authorizing Body is not required to issue a contract to the Academy. This Contract is for a fixed term and will terminate at that end of the Contract term without any further action of either the Academy or the Authorizing Body. Prior to the end of the Contract term, the Authorizing Body shall provide a description of the process and standards by which the Academy may be considered for the issuance of a new contract. The timeline for consideration of whether to issue a new contract to the Academy shall be solely determined by the Authorizing Body. The standards for issuance of a contract to the Academy shall include the requirements established by the Authorizing Body and the standards and criteria established under Applicable Law. The Authorizing Body, at its sole discretion, may change its process and standards for issuance of a contract at anytime, and any such changes shall take effect automatically without the need for any amendment to this Contract. Consistent with the Code, the Authorizing Body may elect, at its sole discretion, not to consider the issuance of a contract, consider reauthorize of the Academy and elect to not issue a contract, or consider reauthorization of the Academy and issue a contract for a fixed term.

ARTICLE III

REQUIREMENT THAT ACADEMY ACT SOLELY AS GOVERNMENTAL AGENCY OR ENTITY AND POLITICAL SUBDIVISION

Section 3.1. Governmental Agency or Entity and Political Subdivision. The Academy shall act exclusively as a governmental agency or entity and political subdivision.

Section 3.2. Other Permitted Activities. Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Subject to Section 2.5 and Section 6.15 of the Terms and Conditions, the Academy may enter into agreements with other public schools, public school academies, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.

ARTICLE IV

PURPOSE

Section 4.1. Academy's Purpose. The Academy Board shall identify the purpose or mission of the Academy. Any subsequent changes to the Academy's purpose or mission shall be carried out by amendment in accordance with Article IX of these Terms and Conditions. The Academy's stated purpose or mission shall be set forth in the Schedules.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Articles of Incorporation. Unless amended pursuant to Section 9.2 of Article IX herein, the Articles of Incorporation of the Academy, as set forth in Schedule 2, shall be the Articles of Incorporation of the Academy. The Academy Board represents to the University Board that Schedule 2 includes all amendments to the Academy's Articles of Incorporation as of the date set forth above.

Section 5.2. Bylaws. Unless amended pursuant to Section 9.3 of Article IX herein, the Bylaws of the Academy, as set forth in Schedule 3, shall be the Bylaws of the Academy. The Academy Board represents to the University Board that Schedule 3 includes all amendments to the Academy's Bylaws as of the date set forth above.

ARTICLE VI

OPERATING REQUIREMENTS

Section 6.1. Governance Structure. The Academy shall be organized and administered under the direction of the Academy Board and pursuant to the governance structure as set forth in its Bylaws. The Academy's Board of Directors shall meet at least six times per fiscal year, unless another schedule is mutually agreed upon by the University President and the Academy.

Section 6.2. Contributions and Fund Raising. The Academy may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Academy is for the benefit of the University. The University shall not be required to receive any contributions or donations for the benefit of the Academy. If the University receives contributions or donations for the benefit of the Academy, it shall forward such funds to the Academy within three (3) business days of receipt.

Section 6.3. Educational Goals and Programs. The Academy shall pursue the educational goals and programs identified and contained in the Schedules. Such goals and programs may be amended pursuant to Section 9.1 of Article IX of the Terms and Conditions. Upon request, the Academy shall provide the University Charter Schools Office with a written report, along with supporting data, assessing the Academy's progress toward achieving its goal(s).

Section 6.4. Curriculum. The Academy shall have flexibility in developing, realigning, and implementing the curriculum identified in the Schedules. Any changes to the curricula shall be administered pursuant to Section 9.1 of Article IX of the Terms and Conditions, and such proposed

curricula shall be designed to achieve the Academy's overall educational goals and State's educational assessment test.

Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:

- a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
- b) an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
- c) an annual education report in accordance with the Code;
- d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the University Charter Schools Office Director; and
- e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

Section 6.6. Staff Responsibilities. Subject to Section 2.5 Article II of the Terms and Conditions, the University Board authorizes the Academy to employ or contract with an Educational Management Company. A copy of the management agreement shall be included in the Schedules.

Section 6.7. Admission Policy. The Academy shall comply with all application, enrollment and admissions policies and criteria required by Applicable Law. A copy of the Academy's admission policies and criteria are set forth in the Schedules.

Section 6.8. School Calendar/School Day Schedule. The Academy shall comply with all minimum standards governing the length of the school term, minimum number of days and hours of instruction required by Applicable Law. The Academy agrees to make available to the University Charter Schools Office a copy of the School Calendar/School Day Schedule for each academic school year no later than July 1st. A copy of the School Calendar/School Day Schedule shall be automatically incorporated into the Schedules, without the need for an amendment under Article IX of the Terms and Conditions.

Section 6.9. Age/Grade Range of Pupils Enrolled. The Academy is authorized to operate Kindergarten through Eighth (K-8) Grades. The Academy may add additional grades and vocational programs in the future, pursuant to Section 9.1 of Article IX of the Terms and Conditions.

Section 6.10. Annual Financial Audit. The Academy shall conduct an annual financial audit prepared and reviewed by an independent certified public accountant in accordance with generally accepted governmental auditing principles. The Academy shall submit the annual financial statement audit and auditor's management letter to the Charter Schools Office in accordance with the MCRR. The Academy Board shall provide to the Charter Schools Office a copy of any responses to the auditor's management letter in accordance with the MCRR.

Section 6.11. Address and Description of Proposed Site(s). The proposed address and physical plant description of the Academy's proposed site or sites is set forth in Schedule 7-8. For purposes of this Contract, the Academy shall be in violation of the site requirements set forth in this Contract if the Academy operates at a site or sites without first obtaining the written authorization of the University Board. Following Academy Board and University Board approval, proposed changes to the address and description of any site or sites shall be incorporated into this Contract by amendment.

Section 6.12. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles, and accounting system requirements that comply with Applicable Law.

Section 6.13. Placement of University Student Interns. The Academy may be a placement site for University students who are in education or other pre-professionals in training to serve in public schools. Such placement shall be without charge to the University and subject to other terms and conditions as the Academy and the University agree.

Section 6.14. Disqualified Organizational or Contractual Affiliations. The Academy shall comply with all state and federal law applicable to public schools concerning church-state issues. To the extent disqualified under the state or federal constitutions, the Academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization. Nothing in this Section shall be deemed to diminish or enlarge the civil and political rights, privileges and capacities of any person on account of his or her religious belief.

Section 6.15 Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school academy, the Academy shall provide a draft copy of the agreement to the Authorizing Body for review. Any matriculation agreement entered into by the Academy shall be added to a new Schedule through a contract amendment approved in accordance with the Contract. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

ARTICLE VII

TUITION PROHIBITED

Section 7.1. Tuition Prohibited: Fees and Expenses. The Academy shall not charge tuition. The Academy may impose fees and require payment of expenses for activities of the Academy where such fees and payments are not prohibited by law.

ARTICLE VIII

COMPLIANCE WITH PART 6A OF THE CODE AND OTHER LAWS

Section 8.1. Compliance with Part 6a of the Code. The Academy shall comply with Part 6a of the Code.

Section 8.2. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, the Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended from time to time. The Academy may expend funds from the State School Aid Act for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and

agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 8.3. Open Meetings Act. Pursuant to Section 503(6)(a) of the Code, the Academy Board shall conduct all of its meetings in accordance with the Michigan Open Meetings Act, Act No. 267 of the Public Acts of 1976, as amended, being Sections 15.261 to 15.275 of the Michigan Compiled Laws.

Section 8.4. Freedom of Information Act. Pursuant to Section 503(6)(b) of the Code, the records of the Academy shall be records subject to the provisions of the Michigan Freedom of Information Act ("FOIA"), Act No. 442 of the Public Acts of 1976, as amended, being Sections 15.231 to 15.246 of the Michigan Compiled Laws. The Academy Board shall designate a freedom of information coordinator to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.

Section 8.5. Public Employees Relations Act. Pursuant to Section 503(6)(c) of the Code, the Academy shall comply with Act No. 336 of the Public Acts of 1947, being Sections 423.201 to 423.217 of the Michigan Compiled Laws. Organizational efforts and collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 8.6. Prevailing Wage on State Contracts. The Academy shall comply with the Prevailing Wage on State Contracts statute, Act No. 166 of the Public Acts of 1965, being Sections 408.551 to 408.558 of the Michigan Compiled Laws.

Section 8.7. Uniform Budgeting and Accounting Act. The Academy shall comply with the Uniform Budgeting and Accounting Act, Act No. 2 of the Public Acts of 1968, being MCL 141.421 to 141.440a.

Section 8.8. Revised Municipal Finance Act of 2001. With respect to the Academy's borrowing money and issuance of bonds, the Academy shall comply with section 1351a of the Code and Part VI of the Revised Municipal Finance Act of 2001, Act No. 34 of the Public Acts of 2001, being MCL 141.2601 to 141.2613 of the Michigan Compiled Laws, except that the borrowing of money and issuance of bonds by the Academy is not subject to section 1351a(4) or section 1351(2) to (4) of the Code. Bonds issued by the Academy are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

Section 8.9. Non-discrimination. The Academy shall be separately responsible for compliance with applicable laws pertaining to equal opportunity and anti-discrimination laws such as the Elliott-Larsen Civil Rights Act, Act No. 453 of the Public Acts of 1976, as amended, being MCL 37.2101 to 37.2804, the Michigan Handicappers' Civil Rights Act, Act No. 22 of the Public Acts of 1976, as amended, being MCL 37.1101 to 37.1607, and Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC & 12101 *et seq.* or any successor law.

Section 8.10. Other State Laws. The Academy shall comply with other state laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other state law to the Academy.

Section 8.11. Federal Laws. The Academy shall comply with federal laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

ARTICLE IX

AMENDMENT

Section 9.1. Process for Amending the Contract. Either party may propose changes in this Contract or may propose a meeting to discuss potential revision of this Contract. Except as provided in Sections 2.1, 5.1 and 6.11, the University Board delegates to its University President the review and approval of changes or amendments to this Contract. The Academy Board may delegate the same authority to the Academy Board President. The Contract shall be amended upon agreement and approval of the respective authorized designees.

Section 9.2. Process for Amending Academy Articles of Incorporation. The Academy Board, or any authorized designee of the Academy Board, may propose changes to the Academy's Articles of Incorporation. The Academy shall be authorized to make such changes to its Articles upon a majority vote of the University Board members attending a University Board meeting. Upon University Board approval, the Academy Board's authorized designee is authorized to file the amendment to the Academy's Articles of Incorporation with the appropriate state agency. Upon receipt of the filed amendment, the Academy shall forward the filed amendment to the University Charter Schools Office. The filed amendment shall be automatically incorporated into Schedule 2 of this Contract upon receipt of the amendment by the University Charter Schools Office. If the University identifies a provision in the Articles of Incorporation that violates or conflicts with this Contract, due to a change in law or other reason, after approval has been given, it shall notify the Academy Board in writing and the Academy Board shall amend the Articles of Incorporation to make them consistent with the Contract. If the change is requested by the University, the University shall reimburse the Academy for the filing fees.

Section 9.3. Process for Amending Academy Bylaws. The Academy Board shall submit proposed Bylaw changes to the Charter Schools Office, for review and comment, at least thirty (30) days prior to Academy Board adoption. The Academy's Bylaws, and any subsequent or proposed changes to the Academy's Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board's Bylaws that violates or conflicts with Applicable Law or this Contract, the Academy Board's Bylaws shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter Schools Office of a duly authorized Academy Board Bylaw change made in accordance with this Section 9.3.

Section 9.4. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations of either the Academy or the University Board, this Contract shall be altered or amended to reflect the change in existing laws as of the effective date of such change. To the extent possible, the responsibilities and obligations of the Academy and the University Board shall conform to and be carried out in accordance with the change in Applicable Law.

ARTICLE X

TERMINATION, SUSPENSION AND REVOCATION

Section 10.1. Grounds and Procedures for Academy Termination of Contract. At anytime and for any reason, the Academy Board may terminate this Contract. The Academy Board shall notify the CSO Director in writing of the request for the termination of the Contract not less than ten (10) calendar

months in advance of the effective date of termination. The University Board, in its sole discretion, may waive the ten (10) month requirement. A copy of the Academy Board's resolution approving the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the written termination request.

Section 10.2. Termination by the University Board. The University Board may terminate this Contract before the end of the Contract Term as follows:

(a) Termination Without Cause. Except as otherwise provided in subsections (b), (c) or (d), the University Board, in its sole discretion, reserves the right to terminate this Contract before the end of the Contract Term for any reason provided that such termination shall not take place less than ten (10) calendar months from the date of the University Board's resolution approving such termination. The University Charter Schools Office shall provide notice of the termination to the Academy. If during the period between the University Board's action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the University Board may elect to initiate suspension or revocation of the Contract as set forth in this Article X.

(b) Termination Caused by Change in Applicable Law. Following issuance of this Contract, if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then the University Board may terminate the Contract at the end of the Academy's school fiscal year in which the University Board's decision to terminate is adopted. For purposes of this section, a change in Applicable Law includes without limitation the following:

(i) the issuance of an order by the Superintendent of Public Instruction, pursuant to Section 1280c of the Code, placing the Academy under the supervision of the State School Reform/Redesign Officer; or

(ii) the development of, or changes to, a redesign plan by the Academy pursuant to Section 1280c of the Code.

(c) Automatic Termination Caused By Placement of the Academy in State School Reform / Redesign School District. If the Academy is notified by the State that the Academy will be placed on the State School Reform/Redesign School District pursuant to Section 1280c of the Code, then the University Board may terminate this Contract at the end of the current school year.

(d) Automatic Termination For Failure to Satisfy Requirements During the Initial Term of Contract. If the Academy fails to satisfy the requirements set forth in Section 12.14 during the initial term of Contract, then this Contract shall automatically terminate on the date set forth in Section 12.14.

The revocation procedures in 10.6 shall not apply to a termination of this Contract under this section.

Section 10.3. Contract Suspension. The University Board's process for suspending the Contract is as follows:

a) University President Action. If the University President determines, in his or her sole discretion, that conditions or circumstances exist that the Academy Board (i) has placed staff and/or students at risk; (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property; (iii) has lost its right to occupancy of the

physical facilities described in Section 6.11, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities; or (iv) has willfully or intentionally violated this Contract or Applicable Law, the University President may immediately suspend the Contract. If the conditions or circumstances involve an alleged violation of Sections 10.5(e) or (f), the University President is authorized to suspend the Contract immediately pending completing of the procedures set forth in Section 10.6. Unless otherwise specified in the suspension notice, the Academy shall cease operations on the date on which the suspension notice is issued. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.

- b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the University President to suspend the Contract may be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury.
- c) Immediate Revocation Proceeding. If the Academy Board, after receiving a Suspension Notice from the University President continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a Revocation Hearing in accordance with the procedures set forth in Section 10.6(e) of the Terms and Conditions. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the University Charter Schools Office and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with Section 10.6(f) through (i).

Section 10.4 Statutory Grounds for Revocation. In addition to the grounds for an automatic revocation of the Contract as set forth in Section 10.8, this Contract may also be revoked by the University Board upon a determination by the University Board, pursuant to the procedures set forth in Section 10.6, that one or more of the following has occurred:

- a) Failure of the Academy to abide by and meet the educational goals set forth in this Contract;
- b) Failure of the Academy to comply with all Applicable Law;
- c) Failure of the Academy to meet generally accepted public sector accounting principles; or
- d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.5. Other Grounds for Authorizing Body Revocation. In addition to the statutory grounds for revocation set forth in Section 10.4 and the grounds for an automatic revocation of the Contract set forth in Section 10.8, the Authorizing Body may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- a) The Academy is insolvent, has been adjudged bankrupt, or has operated for one or more school fiscal year(s) with a Fund Balance Deficit;

- b) The Academy has insufficient enrollment to successfully operate the Academy, or the Academy has lost more than twenty-five percent (25%) of its student enrollment from the previous school year;
- c) The Academy defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- d) The Academy files amendments to its Articles of Incorporation with the appropriate state agency without first obtaining University Board approval;
- e) The University Board discovers grossly negligent, fraudulent or criminal conduct by the Applicant, the Academy's directors, officers, employees or agents in relation to their performance under this Contract;
- f) The Applicant, the Academy's directors, officers or employees have provided false or misleading information or documentation to the University Board in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law;
- g) The Academy violates the site restrictions set forth in the Contract or the Academy operates at a site or sites without the prior written authorization of the University Board; or
- h) The University Board, its trustees, officers, employees, agents or representatives are not included as third party beneficiaries under any educational management agreement entered into by the Academy for purposes of indemnifying such parties in accordance with Section 11.11 of the Terms and Conditions.

Section 10.6. Authorizing Body Procedures for Revoking Contract. Except for the automatic revocation process set forth in Section 10.8 or the termination of Contract by the Authorizing Body in Section 10.7, the Authorizing Body's process for revoking the Contract is as follows:

- a) Notice of Intent to Revoke. The CSO Director or other University representative, upon reasonable belief that such grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.
- b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the CSO Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the CSO Director prior to a review of the Academy Board's response.

- c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, whichever is sooner, the CSO Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the CSO Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the CSO Director shall develop a plan for correcting the non-compliance ("Plan of Correction"). In developing a Plan of Correction, the CSO Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be withdrawn if the CSO Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction. In the event the Notice of Intent to Revoke is withdrawn, the CSO Director shall notify the Academy Board, in writing, of such withdrawal.

- d) Plan of Correction Shall Include Conditions to Satisfy University Board's Contract Reconstitution Obligation. As part of the Plan of Correction, the CSO Director may reconstitute the Academy in an effort to improve student educational performance and to avoid interruption of the educational process. An attempt to improve student educational performance may include, but is not limited to, one of the following actions: (i) cancellation of a contract with an Educational Management Organization; (ii) removal of 1 or more members of the Academy Board members; (iii) termination of at-will board appointments of 1 or more Academy Board members; (iv) withdrawal of the Academy's authorization to contract with an Educational Management Company; or (v) the appointment of a new Academy Board of directors or a conservator/trustee to take over operations of the Academy.

- e) Request for Revocation Hearing. The CSO Director or other University representative may initiate a revocation hearing before the University Charter Schools Hearing Panel if the CSO Director determines that any of the following has occurred:
 - i) the Academy Board has failed to timely respond to the Notice of Intent to Revoke as set forth in Section 10.6(b);
 - ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;
 - iii) the Academy Board's response admits violations of the Contract or Applicable Law which the CSO Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the CSO Director determines that a Plan of Correction cannot be formulated;
 - iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;
 - v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.6(c);
 - vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
 - vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The CSO Director or other University representative shall send a copy of the Request for Revocation Hearing to the Academy Board at the same time the request is sent to the Hearing Panel. The Request for Revocation Hearing shall identify the reasons for revoking the Contract.

- e) Hearing before University Charter Schools Hearing Panel. Within thirty (30) days of the date of a Request for Revocation Hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the Notice of Hearing to the University Charter Schools Office and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the CSO Director's request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the CSO Director or other University Representative. The hearing shall be transcribed by a court reporter and the cost of the court reporter shall be divided equally between the University and the Academy. The CSO Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel, may, however, question the CSO Director and one or more members of the Academy Board. Within thirty (30) days of the Revocation Hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. In its discretion, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the University Charter Schools Office and the Academy Board at the same time that the recommendation is sent to the University Board.
- f) University Board Decision. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available copies of the Hearing Panel's recommendation and the transcript of the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the University Charter Schools Office, the Academy Board and the Michigan Department of Education.
- g) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board, but no later than the last day of the Academy's current academic year.
- h) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be held by the University Board and returned to the Michigan Department of Treasury.
- i) Disposition of School Code Number. Notwithstanding any other provision of the Contract, after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, the district code number shall remain under the direction and control of the State Board of Education and/or its designated representative.

Section 10.7. Termination by Authorizing Body. The Authorizing Body may terminate this Contract before the end of the Term as follows:

(a) Termination With or Without Cause. Except as otherwise provided in subsections (b) or (c), the Authorizing Body, in its sole discretion, reserves the right to terminate the Contract for any reason provided that such termination shall not take place less than one (1) year from the date of the Authorizing Body's action. The University Charter Schools Office shall provide notice of the termination to the Academy. If during the period between the Authorizing Body action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the Contract may be revoked or suspended sooner or the Authorizing Body may take superintending control actions pursuant to Section 10.6.

(b) Termination Caused by Change in Applicable Law. Following issuance of this Contract, if there is a change in Applicable Law that the Authorizing Body, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the Authorizing Body to make changes in the Contract that are not in the best interest of the Authorizing Body or the University Board, then the Authorizing Body may terminate the Contract at the end of the Academy's school fiscal year in which the Authorizing Body's decision to terminate is adopted. For purposes of this section, a change in Applicable Law includes without limitation the following:

(i) the issuance of an order by the Superintendent of Public Instruction, pursuant to section 1280C of the Code, placing the Academy under the supervision of the State School Reform/ Redesign Officer; or

(ii) the development of, or changes to, a redesign plan by the Academy pursuant to Section 1280C of the Code.

(c) Automatic Termination Caused By Placement of Academy in State School Reform/ Redesign School District. If the Academy is placed in the State School Reform/ Redesign School District pursuant to Section 1280C of the Code, then the Authorizing Body may terminate this Contract at the end of the current school year.

The revocation procedures in Section 10.3 shall not apply to a termination of this Contract under this Section 10.7.

Section 10.8. Automatic Revocation by State of Michigan. If the Authorizing Body is notified by the Superintendent of Public Instruction that the Academy is subject to closure under Part 6a of the Code ("State's Automatic Closure Notice"), then this Contract shall automatically be revoked at the end of the current school year in which the notice is received without any further action of the Authorizing Body or the Academy. The Authorizing Body's revocation procedures set forth in Section 10.3 do not apply to an automatic revocation initiated by the State.

Following receipt of the State's Automatic Closure Notice, the Authorizing Body shall forward a copy of the State's Automatic Closure Notice to the Academy Board and request a meeting with Academy Board representatives to discuss the Academy's plans and procedures for wind-up and dissolution of the Academy corporation at the end of the current school year. All Academy inquiries and requests for reconsideration of the State's Automatic Revocation Notice shall be directed to the Superintendent of Public Instruction, in a form and manner determined by that office or the Department.

Section 10.9. Material Breach of Contract. The issuance of order by the Superintendent of Public Instruction, pursuant to section 1280C of the Code, placing the Academy under the supervision of the State School Reform/ Redesign Officer, shall constitute a material breach of this Contract. Following

the issuance of the order, the Authorizing Body shall send notice to the Academy of the material breach and request a meeting with Academy Board representatives to discuss the matter. To remedy the material breach, the Academy shall work toward the development of a corrective action plan that is acceptable to the Authorizing Body. In addition to other matters, the corrective action plan shall include the Academy's redesign plan prepared pursuant to section 1280C of the Code. The development of a corrective action plan under this Section 10.10 shall not in any way limit the rights of the Authorizing Body to suspend, terminate or revoke this Contract.

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. Grand Valley State University Faculty Employment in the Academy. Subject to the ability of the Academy to reach separate agreement on the terms, the Academy is permitted to use University faculty as classroom teachers in any grade.

Section 11.2. The Academy Faculty Appointment to Grand Valley State University Faculty. Nothing in this Contract shall prohibit a member of the Academy faculty from being appointed to or serving as a member of the University faculty.

Section 11.3. Student Conduct and Discipline. The Academy Board shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline.

Section 11.4. Insurance. The Academy shall secure and maintain in its own name as the "first named insured" at all times the following insurance coverage:

- a) Property insurance covering all of the Academy's real and personal property, whether owned or leased;
- b) General/Public Liability with a minimum of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate (Occurrence Form);
- c) Auto Liability (Owned and Non-Owned) with a minimum of one million dollars (\$1,000,000) (Occurrence Form);
- d) Workers' Compensation or Workers' Compensation without employees "if any" insurance (statutory limits) and Employers' Liability insurance with a minimum of five hundred thousand dollars (\$500,000);
- e) Errors & Omissions insurance including Directors & Officers and School Leaders Errors & Omissions Liability insurance with a minimum of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate (Claims Made or Occurrence Form);
- f) Crime including employee dishonesty insurance with a minimum of five hundred thousand dollars (\$500,000); and
- g) Employment Practices Liability insurance with a minimum of one million dollars (\$1,000,000) per claim/aggregate (Claims Made or Occurrence Form).

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The insurance carrier(s) must be an "A" best rating or better. The Academy may join with other public school academies to obtain insurance if the Academy finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured.

The Academy shall list the University Board and the University on the insurance policies as an additional insured with primary coverage on insurance coverage listed in (b), (c), (e), and (g) above. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy or of changes in insurance carrier or policy limit changes. In addition, the Academy shall provide the University President copies of all insurance certificates and endorsements required by this Contract. The Academy shall also provide to the University Charter Schools Office an entire copy of the insurance policies. The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity. Other insurance policies and higher minimum may be required depending upon academic offerings and program requirements.

The Academy understands that the University's insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for authorization and oversight of the Academy. In the event that the University's insurance carrier requests additional changes in coverage identified in this Section 11.4, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University's insurance carrier within thirty (30) days after notice of the insurance coverage change.

Section 11.5. Transportation. The Academy Board may enter into contract with other school districts or other persons, including municipal and county governments, for the transportation of the Academy students to and from school and for field trips. In addition, the Academy Board may use funds received from state school aid payments to pay for student transportation. In the event that the Academy Board contracts for transportation services, the Academy Board shall ensure that the company providing the transportation services is properly licensed in accordance with Applicable Law, and that the company conducts criminal background and history checks on its drivers and other personnel who have direct contact with pupils in accordance with the Code.

Section 11.6. Extracurricular Activities and Interscholastic Sports. The Academy is authorized to join any organization, association, or league, which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 11.7. Legal Liabilities and Covenants Not to Sue. The Academy and Academy Board members acknowledge and agree that they have no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy and Academy Board members hereby covenant not to sue the University Board, the University or any of its trustees, officers, employees, agents or representatives for any matters that arise under this Contract or otherwise. The University does not assume any obligation with respect to any Academy Director, employee, agent, parent, guardian, or independent contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuing, termination or revocation of this Contract.

Section 11.8. Lease or Deed for Proposed Single Site(s). The Academy shall provide to the designee of the University Board copies of its lease or deed for the premises in which the Academy shall operate. A copy of the Academy's lease or deed and site information shall be incorporated into the Schedules.

Section 11.9. Occupancy and Safety Certificates. The Academy Board shall: (i) ensure that all physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates. The Academy Board shall not conduct classes at any site until the Academy has complied with this Section 11.9. Copies of these certificates shall be incorporated into the Schedules.

Section 11.10. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within three (3) business days after receipt of the funds by the Academy.

Section 11.11. Required Provisions for Educational Management Organization Agreements. Any educational management organization agreement entered into by the Academy must contain the following provisions:

"Indemnification of Grand Valley State University. The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board's approval of the Application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the Educational Management Organization, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement."

"Revocation or Termination of Contract. If the Academy's Contract issued by the Grand Valley State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked or termination without further action of the parties."

"Compliance with Academy's Contract. The Educational Management Organization agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Contract issued by Grand Valley State University Board of Trustees. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement."

Section 11.12. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed a prohibited conflict of interest for purposes of this Contract:

(a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or paid consultant of an Educational Management Organization that has an agreement with the Academy;

(b) An individual simultaneously serving as an Academy Board member and an Academy employee;

(c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;

(d) An individual simultaneously serving as an Academy Board member and as a member of the governing board of another public school; and

(e) An individual simultaneously serving as an Academy Board member and a University employee or paid consultant.

Section 11.13. Certain Familial Relationships Prohibited. No person shall be eligible to serve as an Academy Board member if the person's spouse, child, parent, or sibling has: (i) an ownership interest in the Educational Management Organization; or (ii) if the person's spouse, child, parent, or sibling is in a managerial, administrative or officer position with the Educational Management Organization.

Section 11.14. Dual Employment Positions Prohibited. Any person working at the Academy is prohibited by law from being employed at the Academy in more than one full-time position and simultaneously being compensated for each position.

Section 11.15. Information Available to the Public and University.

(a) Information to be provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including without limitation information in Schedule 6, available to the public and the University.

(b) Information to be provided by Educational Management Organization. The agreement between the Academy and the Educational Management Organization shall contain a provision requiring the Educational Management Company to make information concerning the operation and management of the Academy, including the information in Schedule 6, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under subparagraph (a).

Section 11.16. Authorizing Body Invitation to Apply to Convert Academy to School of Excellence. If the Authorizing Body is interested in accepting applications to issue contracts to charter Schools of Excellence under Part 6e of the Code, MCL 380.551 et seq. ("Part 6e"), and the University Board determines that the Academy meets the University Board's and the Code's eligibility criteria for applying to convert the Academy to a School of Excellence, then the University Board may invite the Academy to submit an application to apply for a contract to convert the Academy to a School of

Excellence. In accordance with the Code, the University Board shall establish its own competitive application process and provide the necessary forms and procedures to eligible public school academies.

ARTICLE XII

GENERAL TERMS

Section 12.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given; (i) upon actual delivery, if delivery by hand; or (ii) upon delivery into United States mail if delivery is by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other person or address as the respective party may designate by notice delivered pursuant hereto:

If to Grand Valley State University Board of Trustees:

Charter Schools Office Director
Grand Valley State University
201 Front Avenue, SW., Suite 310
Grand Rapids, Michigan 49504

If to Academy:

Board President
3085 S. Canton Center Road
Canton, Michigan 48188

Section 12.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of Applicable Law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

Section 12.4. Entire Contract. This Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior application materials, contracts, representations, statements, negotiations, understandings, and undertakings, are superseded by this Contract.

Section 12.5. Assignment. This Contract is not assignable by either party.

Section 12.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.7. Indemnification. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the terms and conditions of this Contract, the Academy agrees to indemnify, defend and hold harmless the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives from and against all demands,

claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees), settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's receipt, consideration or approval of the Application, the University Board's approval of the Method of Selection Resolution or the Authorizing Resolution, legal challenges to the validity of Part 6a of the Code or actions taken by the University Board as an authorizing body under Part 6a of the Code, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance of the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the failure of the Academy to comply with the Contract or Applicable Law. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.8. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.9. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.10. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board. Except as otherwise provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.11. Non-agency. It is understood that the Academy is not the agent of the University.

Section 12.12. Governing Law. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.13. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.14. Term of Contract.

(a) Initial Term of Contract. Except as otherwise provided in Section 12.14 (b) and (c) set forth below, this Contract shall commence on July 1, 2011 and shall remain in full force and effect until June 30, 2018, unless sooner terminated according to the terms hereof.

(b) Termination of Contract During Initial Term of Contract. Consistent with the procedures set forth in this Section 12.14(b), this Contract will terminate on June 30, 2018, if the Academy fails to satisfy all of the following conditions:

- (i) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's agreements with any Educational Management Organization. The

terms and conditions of the agreements must be acceptable to the University President.

- (ii) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's real property leases, sublease or other agreements set forth in the Schedules.
- (iii) The Academy, through legal counsel, shall provide a legal opinion to the Charter Schools Office Director confirming that the Academy Board's approval and execution of any real property lease or other agreement with Educational Management Organization complies with the Contracts of Public Servants with Public Entities statute, MCL 15.321 et seq.
- (iv) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of an AHERA asbestos plan and lead based paint survey for the site or sites set forth in the Schedules.
- (v) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of a current boiler inspection/ approval for the site or sites set forth in the Schedules.
- (vi) The Academy shall provide documentation to the Charter Schools Office Director confirming that the Academy has received occupancy approval from the Michigan Department of Consumer and Industry Services' Office of Fire Safety for the site or sites set forth in the Schedules.
- (vii) The Academy shall provide documentation to the Charter Schools Office Director that it has obtained a short-term cash flow loan to cover the initial cost of operations for the initial academic year. The Academy shall comply with section 1225 of the Revised School Code and the Revised Municipal Finance Act with respect to approving and obtain such funds.
- (viii) Any additional financial information or documentation requested by the University President.
- (ix) If the Academy, for any reason, is unable to enroll students and conduct classes by October 1, 2011, then this Contract is automatically terminated without further action of the parties

The Academy shall notify the Charter Schools Office in writing following completion of the conditions set forth in this Section 12.14(b). For good cause, the Charter Schools Office Director may extend the deadlines set forth above. If the Charter Schools Office Director determines that the Academy has not satisfied the conditions set forth in this Section 12.14(b), the Charter Schools Office Director shall issue a Contract termination letter to the Academy for failing to meet certain conditions set forth in this Section 12.14(b). The issuance of the termination letter by the Charter Schools Office Director shall automatically terminate this Contract without any further action by either the University Board or the Academy Board. Upon issuance of the termination letter, the Charter Schools Office Director shall notify the Superintendent of Public Instruction and the Michigan Department of Education that the Contract has been terminated.

(c) Extended Term of Contract. If the Academy satisfies the conditions set forth above in Section 12.14(b), this Contract shall be extended for seven (7) additional academic years and shall expire on June 30, 2025, unless sooner terminated according to the terms hereof ("Contract Term").

Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.4, Section 11.11, Section 12.7, and any other provision of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.16. Termination of Responsibilities. Upon termination or revocation of this Contract, the University Board and its designees shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract.

Section 12.17. Disposition of Academy Assets Upon Termination or Revocation of Contract. Following termination or revocation of the Contract, the Academy shall follow the applicable wind-up and dissolution provisions set forth in the Academy's articles of incorporation and in accordance with Applicable Law.

As the designated representative of the Grand Valley State University Board of Trustees, I hereby issue this Contract to the Academy on the date set forth above.

GRAND VALLEY STATE UNIVERSITY
BOARD OF TRUSTEES

By: _____

University President or his/her designee

As the authorized representative of the Academy, I hereby certify that the Academy is able to comply with the Contract and all Applicable Law, and that the Academy, through its governing board, has approved and agreed to comply with and be bound by the terms and conditions of this Contract.

SOUTH CANTON SCHOLARS CHARTER ACADEMY

By: _____

Academy Board President

SCHEDULE 1

**METHOD OF SELECTION RESOLUTION
AUTHORIZING RESOLUTION**



CERTIFIED COPY OF RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF
GRAND VALLEY STATE UNIVERSITY ON APRIL 29, 2011:

South Canton Scholars Charter Academy 6a Contract

WHEREAS, the Michigan Legislature has provided for the establishment of public school academies as part of the Michigan public school system by enacting Act No. 362 of the Public Acts of 1993; and

WHEREAS, according to this legislation, the Grand Valley State University Board of Trustees (the "Board of Trustees"), as the governing body of a state public university, is an authorizing body empowered to issue contracts to organize and operate public school academies; and

WHEREAS, the Michigan Legislature has mandated that public school academy contracts be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy; and

WHEREAS, the Grand Valley State University Board of Trustees, having requested applications for organizing public school academies and having reviewed the applications according to the provisions set forth by the Michigan Legislature;

NOW, THEREFORE, BE IT RESOLVED:

1. That the application for South Canton Scholars Charter Academy ("Academy"), located at 3085 S. Canton Center Road, Canton, MI 48188, submitted under Section 502 of the Revised School Code, meets the Board of Trustees' requirements and the requirements of applicable law, is therefore approved;



2. That the Board of Trustees establishes the method of selection, length of term and number of members of the Academy's Board of Directors as follows:

Method of Selection and Appointment of Academy Board Members:

- a. Initial Academy Board Member Nominations and Appointments: As part of the public school academy application, the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Board of Trustees, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
- b. Subsequent Academy Board Member Nominations and Appointments: Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.
- c. Exigent Appointments: When the Director determines an "exigent condition" exists which requires him/her to make an appointment to a public school academy's board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public

school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy's board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

3. Qualifications of Academy Board Members: To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.
4. Oath /Acceptance of Office / Voting Rights: Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.
5. Length of Term; Removal: An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.

If the Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board

member's service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.

6. Resignations: A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.
7. Vacancy: An Academy Board position shall be considered vacant when an Academy Board member:
 - a. Resigns
 - b. Dies
 - c. Is removed from Office
 - d. Is convicted of a felony
 - e. Ceases to be qualified
 - f. Is incapacitated
8. Filling a Vacancy: The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.
9. Number of Academy Board Member Positions: The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
10. Quorum: In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

11. Manner of Acting: The Academy Board shall be considered to have “acted,” when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

12. Initial Members of the Board of Directors: The Grand Valley State University Board of Trustees appoints the following persons to serve as the initial members of the Academy’s Board of Directors for the designated term of office set forth below:

Kimberly H. Gaedeke	1 year term expiring June 30, 2012
Melissa A. Laing	2 year term expiring June 30, 2013
Keith P. Ledbetter	2 year term expiring June 30, 2013

13. The Board of Trustees approves and authorizes the execution of a contract to charter a public school academy to the Academy and authorizes the University President or designee to issue a contract to charter a public school academy and related documents (“Contract”) to the Academy, provided that, before execution of the Contract, the University President or designee affirms that all terms of the contract have been agreed upon and the Academy is able to comply with all terms and conditions of the Contract and Applicable Law. This resolution shall be incorporated in and made part of the Contract.
14. Within ten days after the Board of Trustees issues the Contract, the Director will submit the Contract to the Michigan Department of Education. Pursuant to the State School Aid Act of 1979, the Michigan Department of Education shall, within thirty days after the Contract is submitted to the Michigan Department of Education, issue a district code number to each public school academy that is authorized under the Revised School Code and is eligible to receive funding under the State School Aid Act. By approving and issuing the Contract, the Board of Trustees is not responsible for the Michigan Department of Education’s issuance or non-issuance of a district code number. As a condition precedent to the Board of Trustees’ issuance of the Contract, the Applicant, the Academy and the Academy’s Board of Directors shall acknowledge and agree that the Board of Trustees, Grand Valley State University, its officers, employees and agents are not responsible for any action taken by the Academy in reliance upon the Michigan Department of Education’s issuance of a district code

number to the Academy, or for any Michigan Department of Education's decision resulting in the non-issuance of a district code number to the Academy.

IN WITNESS WHEREOF, I have hereunto signed my name as Secretary and have caused the seal of said body corporate to be hereto affixed this 18th day of May, 2011.

A handwritten signature in cursive script, appearing to read "Teri E. Losey", written over a horizontal line.

Teri E. Losey, Secretary
Board of Trustees
Grand Valley State University

SCHEDULE 2

ARTICLES OF INCORPORATION

BCS/CD-502 (Rev.10/08)

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH BUREAU OF COMMERCIAL SERVICES			
Date Received MAR 01 2011		(FOR BUREAU USE ONLY)	
		This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document. FILED MAR 01 2011	
Name Law Office of LaRae G. Munk P.C.			Administrator BUREAU OF COMMERCIAL SERVICES EFFECTIVE DATE:
Address 1650 Sanctuary Circle			
City Howell	State MI	Zip Code 48855	

Document will be returned to the name and address you enter above.
If left blank document will be mailed to the registered office.

70780N

ARTICLES OF INCORPORATION For use by Domestic Nonprofit Corporations

Pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended (the "Act"), being MCL 450.2101 et seq. and Part 6A of the Revised School Code (the "Code"), as amended, being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is: **South Canton Scholars Charter Academy**

The authorizing body for the corporation is: Grand Valley State University ("GVSU") Board of Trustees, ("Board of Trustees"), 1 Campus Drive, Allendale, Michigan 49401.

ARTICLE II

The purposes for which the corporation is organized are:

- Specifically, the corporation is organized for the purposes of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.

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2. The corporation, including all activities incident to its purposes, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

ARTICLE III

1. The corporation is organized upon a Nonstock basis.
2. a. The description and value of its real property assets are:
Real Property: None
- b. The description and value of its personal property assets are:
Personal Property: None
- c. The corporation is to be financed under the following general plan:
 - a. State school aid payments received pursuant to the State School Aid Act of 1979 or any successor law.
 - b. Federal funds.
 - c. Donations
 - d. Fees and charges permitted to be charged by public school academies.
 - e. Other funds lawfully received.
- d. The corporation is organized on a Directorship basis.

ARTICLE IV

1. The name of the resident agent at the registered office: La Rae G. Munk
2. The address of the registered office is: Law Office of La Rae G. Munk, 1650 Sanctuary Circle, Howell, MI 48855
3. The mailing address of the registered office is the same as above.

ARTICLE V

The name and address of the incorporator is: La Rae G. Munk, 1650 Sanctuary Circle, Howell, MI 48855.

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

Before execution of a contract to charter a public school academy between the Academy

Board and the Board of Trustees, the method of selection, length of term, and the number of members of the Academy Board shall be approved by a resolution of the Board of Trustees as required by the Code.

The members of the Academy Board shall be selected by the following method:

1. **Method of Selection and Appointment of Academy Board Members:**

- a. **Initial Academy Board Member Nominations and Appointments:** As part of the public school academy application, the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Board of Trustees, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
- b. **Subsequent Academy Board Member Nominations and Appointments:** Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.
- c. **Exigent Appointments:** When the Director determines an "exigent condition" exists which requires him/her to make an appointment to a public school academy's board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy's board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

2. **Qualifications of Academy Board Members:** To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.
3. **Oath /Acceptance of Office / Voting Rights:** Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.
4. **Length of Term; Removal:** An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.

If the Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board member's service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.
5. **Resignations:** A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.
6. **Vacancy:** An Academy Board position shall be considered vacant when an Academy Board member:
 - a. Resigns
 - b. Dies
 - c. Is removed from Office
 - d. Is convicted of a felony
 - e. Ceases to be qualified
 - f. Is incapacitated
7. **Filling a Vacancy:** The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.

8. **Number of Academy Board Member Positions:** The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
9. **Quorum:** In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

10. **Manner of Acting:** The Academy Board shall be considered to have "acted," when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

ARTICLE VIII

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, board, officers or other private persons, or organization organized and operated for a profit (except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth in Article II hereof). Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a governmental entity exempt from Federal Income Tax under Section 115 of the IRC, or comparable provisions of any successor law.

To the extent permitted by law, upon the dissolution of the corporation, the board shall after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the Board of Trustees for forwarding to the State School Aid Fund established under Article IX, Section 11 of the Constitution of the State of Michigan of 1963, as amended.

ARTICLE IX

The corporation and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in Section 7 of Act No. 170 of the Public Acts of 1964, being Sections 691.1407 of the Michigan Compiled Laws.

ARTICLE X

These Articles of Incorporation shall not be amended except by the process provided in the contract executed by the Academy Board and the Board of Trustees.

ARTICLE XI

The Academy Board shall have all the powers and duties permitted by law to manage the business, property and affairs of the corporation.

ARTICLE XII

~~A volunteer director is not personally liable to the corporation for monetary damages for a breach of the director's fiduciary duty. This provision shall not eliminate or limit the liability of a director for any of the following:~~

- (i) A breach of the director's duty of loyalty to the corporation;
- (ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (iii) A violation of Section 551(1) of the Michigan Nonprofit Corporation Act;
- (iv) A transaction from which the director derived an improper personal benefit;
- (v) An act or omission that is grossly negligent.

If the corporation obtains tax exempt status under section 501(c)(3) of the internal revenue code, the corporation assumes all liability to any person other than the corporation for all acts or omissions of a volunteer director occurring on or after the filing of the Articles incurred in the good faith performance of the volunteer director's duties.

This article shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Government Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

ARTICLE XIII

The corporation assumes the liability for all acts or omissions of a non-director volunteer, provided that:

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (ii) The volunteer was acting in good faith;
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- (iv) The volunteer's conduct was not an intentional tort; and

The volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in Section 209(e)(v) of the Michigan Nonprofit Corporation Act.

This article shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for negligence Act, being Act No. 170, Public Acts of Michigan, 1964

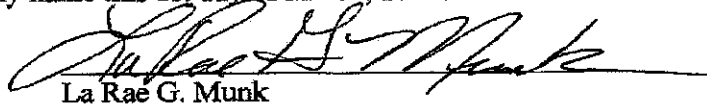
ARTICLE XIV

The officers of the Academy Board shall be a President, Vice-President, Secretary and a Treasurer, each of whom shall be selected by the Board of Directors. The Academy Board may select one or more Assistants to the officers, and may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the corporation.

ARTICLE XV

The Articles of Incorporation shall become effective upon filing. However, the corporation shall not carry out the purposes set forth in Article II unless/or until the Board of Trustees issues to the Academy Board a contract to operate as a public school academy, and the contract is executed by both the Academy Board and the Board of Trustees.

I, the incorporator sign my name this 1st day of March, 2011.



La Rae G. Munk

Name of person or organization
remitting fees:
Law Office of La Rae G. Munk, P.C.

Preparer's name and business
telephone number:
Heather L. Montei (P71584)
Law Office of La Rae G. Munk, P.C.
1650 Sanctuary Circle,
Howell, MI 48855
(517) 410-6957

CONTRACT SCHEDULE 3

SOUTH CANTON SCHOLARS CHARTER ACADEMY
BYLAWS

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BYLAWS
OF
SOUTH CANTON SCHOLARS CHARTER ACADEMY

ARTICLE I

South Canton Scholars Charter Academy

This organization shall be called **South Canton Scholars Charter Academy** (the "Academy" or the "corporation").

ARTICLE II

FORM OF ACADEMY

The Academy is organized as a non-profit, non-stock, directorship corporation.

ARTICLE III

OFFICES

Section 1. Principal Office. The principal office of the Academy shall be located in the State of Michigan.

Section 2. Registered Office. The registered office of the Academy shall be office is: Law Office of La Rae G. Munk, 1650 Sanctuary Circle, Howell, MI 48855. It must be located in the state of Michigan, and be the business office of the registered agent, as required by the Michigan Nonprofit Corporation Act.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. General Powers. The business, property and affairs of the Academy shall be managed by the Academy Board of Directors ("Academy Board"). The Academy Board may exercise any and all of the powers granted to it under the Michigan Nonprofit Corporation Act or pursuant to Part 6A of the Revised School Code ("Code"). The Academy Board may delegate said powers to the officers and committees of the Academy Board as it deems appropriate or necessary, as long as such delegation is consistent with the Articles, these Bylaws, the Contract and Applicable Law.

Section 2. Method of Selection and Appointment. Nomination and appointment to the Academy Board shall be handled in the following manner:

1. Method of Selection and Appointment of Academy Board Members:

- a. Initial Academy Board Member Nominations and Appointments: As part of the public school academy application, the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Grand Valley State University Board of Trustees ("Board of Trustees"), he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
- b. Subsequent Academy Board Member Nominations and Appointments: Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.
- c. Exigent Appointments: When the Director determines an "exigent condition" exists which requires him/her to make an appointment to a public school academy's board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy's board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

2. Qualifications of Academy Board Members: To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.

3. Oath /Acceptance of Office / Voting Rights: Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.

4. Length of Term; Removal: An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.

If the Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board member's service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.

5. Resignations: A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.

6. Vacancy: An Academy Board position shall be considered vacant when an Academy Board member:

- a. Resigns
- b. Dies
- c. Is removed from Office
- d. Is convicted of a felony
- e. Ceases to be qualified
- f. Is incapacitated

7. Filling a Vacancy: The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.

8. Number of Academy Board Member Positions: The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.

9. Quorum: In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

10. Manner of Acting: The Academy Board shall be considered to have "acted," when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

Section 3. Compensation. By resolution of the Academy Board, Directors may be paid their expenses, if any, of attendance at each meeting of the Academy Board, subject to the statutes regarding Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being Sections 15.321 to 15.330 of the Michigan Compiled Laws and the Standards of Conduct for Public Officers and Employees, Act No. 196 of the Public Acts of 1973, being Sections 15.341 to 15.348 of the Michigan Compiled Laws, and the statute concerning Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws.

ARTICLE V

MEETINGS

Section 1. Regular Meetings. The Academy Board shall hold a regular meeting during the month of June each year. The meeting shall be held at such time and place as the Academy Board of Directors shall from time to time determine. The Academy Board may also provide, by resolution, the time and place, within the state of Michigan, for the holding of additional regular meetings. The Academy shall provide notice of all regular meetings as required by the Open Meetings Act.

Section 2. Special Meetings. Special meetings of the Academy Board may be called by or at the request of the President or any Academy Board Director. The person or persons authorized to call special meetings of the Academy Board may fix the place within the state of Michigan for holding any special meeting of the Academy Board called by them, and, if no other place is fixed, the

place of meeting shall be the principal business office of the corporation in the state of Michigan. The corporation shall provide notice of all special meetings as required by the Open Meetings Act.

Section 3. Notice; Waiver. The Academy Board must comply with the notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each Director stating the time and place of the meeting, delivered personally or mailed or sent by facsimile to each Director at the Director's business address. Any Director may waive notice of any meeting by written statement, or telecopy sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Open Meetings Act. All meetings of the Academy Board, shall at all times be in compliance with the Open Meetings Act.

Section 5. Presumption of Assent. A Director of the Academy Board who is present at a meeting of the Academy Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE VI

COMMITTEES

Section 1. Committees. The Academy Board, by resolution, may designate one or more committees, each committee to consist of one or more Directors selected by the Academy Board. As provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Academy Board, except (i) filling of vacancies in the officers of the Academy Board or committees created pursuant to this Section; (ii) amending the Articles of Incorporation or Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act. All committee meetings shall at all times be in compliance with the Open Meetings Act. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports the Academy Board of its activities as the Academy Board may request.

ARTICLE VII

OFFICERS OF THE BOARD

Section 1. Number. The officers of the Academy shall be a President, Vice-President, Secretary, Treasurer, and such Assistant officers as may be selected by the Academy Board.

Section 2. Election and Term of Office. The Academy Board shall elect the initial officers at its first duly noticed meeting. Thereafter, the Academy Board shall elect the officers annually as terms expire at the annual meeting of the Academy Board. If the election of officers is not held at that meeting, the election shall be held as soon thereafter as may be convenient. Each officer shall hold office while qualified or until the officers resigns or is removed in the manner provided in Article IV, Section 2.

Section 3. Removal. If the Grand Valley State University Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board member's service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.

Section 4. Vacancies. A vacancy in any office shall be filled in accordance with Article IV, Section 2.

Section 5. President. The President of the Academy shall be a member of the Academy Board. The President of the corporation shall preside at all meetings of the Academy Board. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Academy Board attending the meeting shall preside. The President shall be an ex-officio member of all standing committees and may be designated Chairperson of those committees by the Academy Board. The President shall, in general, perform all duties incident to the office of President of the Board as may be prescribed by the Board from time to time.

Section 6. Vice-President. The Vice-President of the Academy shall be a member of the Academy Board. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice-President shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the Academy Board.

Section 7. Secretary. The Secretary of the Academy shall be a member of the Academy Board. The Secretary shall: (a) keep the minutes of the Academy Board meetings in one or more books provided for that purpose; (b) see that all notices, including those notices required under the Open Meetings Act, are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all authorized documents; (d) keep a register of the post office address of each Director; and (e) perform all duties incident to the office of Secretary and other duties assigned by the President or by the Academy Board.

Section 8. Treasurer. The Treasurer of the Academy shall be a member of the Academy Board. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation in such banks, trust companies or other depositories as shall be selected by the Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent of the corporation are properly carried

out; and (f) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

Section 9. Assistants and Acting Officers. The Assistants to the officers, if any, selected by the Academy Board, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or Treasurer or by the Academy Board. The Academy Directors shall have the power to appoint any person to perform the duties of an officer whenever for any reason it is impractical for such officer to act personally. Such acting officer so appointed shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Academy Board may by resolution otherwise determine.

Section 10. Salaries. Officers shall not receive a salary unless the salary has been specifically approved by the Academy Board, subject to the statute concerning Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being sections 15.181 to 15.185 of the Michigan Compiled Laws. Officers of the corporation who are Directors of the corporation may not be compensated for their services. They may, however, receive traveling and other expenses.

Section 11. Filling More Than One Office. Subject to the statute concerning Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws, any two offices of the corporation except those of President and Vice-President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 1. Contracts. The Academy Board may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Academy Board authorizes the execution of a contract or of any other instrument in the name of and on behalf of the corporation, without specifying the executing officers, the President or Vice-President, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto. No contract entered into, by or on behalf of the Academy Board, shall in any way bind the University or impose any liability on the University, its trustees, officers, employees or agents.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Academy Board. Such authority may be general or confined to specific instances. No loan or advance to, or overdraft of funds by an officer or member of the Academy Board otherwise than in the ordinary and usual course of the business of the corporation, and on the ordinary and usual course of the business or security, shall be made or permitted. No loan entered into, by or on behalf of the

Academy Board, shall in any way be considered a debt or obligation of Grand Valley State University or impose any liability on Grand Valley State University, its trustees, officers, employees or agents.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Academy Board.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited within three (3) business days after the receipt of the funds by the corporation in such banks, trust companies or other depositories as the Academy Board may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 1221 of the Revised School Code, being Section 380.1221 of the Michigan Compiled Laws.

Section 5. Voting of Securities Owned by this Corporation. Subject always to the specific directions of the Academy Board, any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the President of this corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this corporation or by proxy appointed by the Secretary or Treasurer. Such proxy or consent in respect to any shares or other securities issued by any other corporation and owned by this corporation shall be executed in the name of this corporation by the President, the Secretary or the Treasurer of this corporation without necessity of any authorization by the Academy Board, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation.

Section 6. Contracts Between Corporation and Related Persons. As required by Applicable Law, any Director, officer or employee of the Academy, who enters into a contract with the Academy, that meets the definition of contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being sections 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirement set forth in Section 3 of the statute.

ARTICLE IX

INDEMNIFICATION

Each person who is or was a member of the Academy Board, or a trustee, director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the corporation to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The corporation may purchase and maintain insurance on behalf of any such

person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the corporation to the fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

ARTICLE X

FISCAL YEAR, BUDGET AND UNIFORM BUDGETING AND ACCOUNTING

Section 1. Fiscal Year, Budget and Uniform Budgeting and Accounting. The fiscal year of the corporation shall begin on the first day of July in each year. The Board of Directors, subject to the oversight responsibilities of the University Board, shall have exclusive control of the budget. The Board shall prepare and publish an annual budget in accordance with the Uniform Budgeting and Accounting Act, being Act 2 of the public laws of Michigan of 1968, as amended.

ARTICLE XI

SEAL

The Academy Board may provide a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the corporation, the State of Michigan and the words "Corporate Seal" and "Public School Academy."

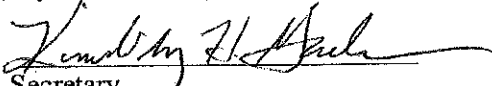
ARTICLE XII

AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by obtaining the affirmative vote of a majority of the Academy Board at any regular or special meeting of the Academy Board, if a notice setting forth the terms of the proposal have been given in accordance with the notice requirements for special meetings. Upon approval, the Academy Board shall forward the amendment to the University Charter Schools Office. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt of the amendment by the University Charter Schools Office. The Academy Board is encouraged to submit proposed Bylaw changes to the Charter Schools Office, for review and comment, prior to adoption. If at any time the University identifies a provision in the Academy Board's Bylaws that violates or conflicts with applicable law or the Contract, it shall notify the Academy Board in writing and the Academy Board shall remedy the identified provision to be in concert with applicable law and the Contract.

CERTIFICATION

The Board certifies that these Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 6th day of may, 2011.


Secretary

Prepared by:

LaRae G. Munk, Esq. (P41154)
Law Office of LaRae G. Munk, P.C.
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Howell, MI 48855
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SCHEDULE 4

FISCAL AGENT AGREEMENT

SCHEDULE 4

FISCAL AGENT AGREEMENT

This Agreement is part of the Contract issued by the Grand Valley State University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to South Canton Scholars Charter Academy ("Academy"), a public school academy.

Preliminary Recitals

WHEREAS, pursuant to the Code and the Contract, the University Board, as authorizing body, is the fiscal agent for the Academy, and

WHEREAS, the University Board is required by law to forward any State School Aid Payments received from the State of Michigan ("State") on behalf of the Academy to the Academy,

NOW, THEREFORE, in consideration of the premises set forth below, the parties agree to the following:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Account" means an account established by the Academy for the receipt of State School Aid Payments at a bank, savings and loan association, or credit union which has not been deemed ineligible to be a depository of surplus funds under Section 6 of Act No. 105 of the Public Acts of 1855, being Section 21.146 of the Michigan Compiled Laws.

"Agreement" means this Fiscal Agent Agreement.

"Fiscal Agent" means the University Board or an officer or employee of Grand Valley State University as designated by the University Board.

"Other Funds" means any other public or private funds which the Academy receives and for which the University Board voluntarily agrees to receive and transfer to the Academy.

"State School Aid Payment" means any payment of money the Academy receives from the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963 or under the State School Aid Act of 1979, as amended.

"State" means the State of Michigan.

"State Treasurer" means the office responsible for issuing funds to urban high school academies for State School Aid Payments pursuant to the School Aid Act of 1979, as amended.

Section 1.02. Fiscal Agent Agreement Incorporated into Contract; Use of Contract Definitions. This Fiscal Agent Agreement shall be incorporated into and is part of the Contract issued by the University Board to the Academy. Terms defined in the Contract shall have the same meaning in this Agreement.

ARTICLE II

FISCAL AGENT DUTIES

Section 2.01. Receipt of State School Aid Payments and Other Funds. The University Board is the Fiscal Agent for the Academy for the limited purpose of receiving State School Aid Payments. By separate agreement, the University Board and the Academy may also agree that the University Board will receive Other Funds for transfer to the Academy. The Fiscal Agent will receive State School Aid Payments from the State, as provided in Section 3.02.

Section 2.02. Transfer to Academy. Except as provided in the Contract, the Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within three (3) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable State Board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the Board of Directors of the Academy and by a method of transfer acceptable to the Fiscal Agent.

Section 2.03. Limitation of Duties. The Fiscal Agent has no responsibilities or duties to verify the Academy's pupil membership count, as defined in the State School Aid Act of 1979, as amended, or to authorize, to approve or to determine the accuracy of the State Aid School Payments received on behalf of the Academy from the State Treasurer. The duties of the Fiscal Agent are limited to the receipt and transfer to the Academy of State School Aid Payments and Other Funds received by the Academy. The Fiscal Agent shall have no duty to monitor or approve expenditures made by the Academy Board.

Section 2.04. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board directs that a portion of its State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit to the University Charter Schools Office: (i) a copy of the Academy Board's resolution authorizing the direct intercept of State School Aid Payments; and (ii) a copy of a State School Aid Payment Agreement and Direction document that is in a form

and manner acceptable to the Fiscal Agent. No State Aid Payment Agreement and Direction document shall be effective until it is acknowledged by the University President.

ARTICLE III

STATE DUTIES

Section 3.01 Eligibility for State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the eligibility of the Academy to receive State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the amount of State School Aid Payments, if any, the Academy shall be entitled to receive.

Section 3.02. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent by electronic funds transfer into an account specified by the Fiscal Agent, or by such other means deemed acceptable to the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

ARTICLE IV

ACADEMY DUTIES

Section 4.01. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, an Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended.

Section 4.02. Expenditure of Funds. The Academy may expend funds that it receives from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 4.03. Mid-Year Transfers. Funding for students transferring into or out of the Academy during the school year shall be in accordance with the State School Aid Act of 1979 or applicable State Board rules.

Section 4.04. Repayment of Overpayment. The Academy shall be directly responsible for reimbursing the State for any overpayments of State School Aid Payments. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or may seek collection of the overpayment from the Academy.

Section 4.05. Deposit of Academy Funds. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of State School Aid Payments and Other Funds received by the Academy.

ARTICLE V

RECORDS AND REPORTS

Section 5.01. Records. The Fiscal Agent shall keep books of record and account of all transactions relating to the receipts, disbursements, allocations and application of the State School Aid Payments and Other Funds received, deposited or transferred for the benefit of the Academy, and these books shall be available for inspection at reasonable hours and under reasonable conditions by the Academy and the State.

Section 5.02. Reports. The Fiscal Agent shall prepare and send to the Academy within thirty (30) days of September 1, and annually thereafter, a written report dated as of August 31 summarizing all receipts, deposits and transfers made on behalf or for the benefit of the Academy during the period beginning on the latter of the date hereof or the date of the last such written report and ending on the date of the report, including without limitation, State School Aid Payments received on behalf of the Academy from the State Treasurer and any Other Funds which the University Board receives under this Agreement.

ARTICLE VI

CONCERNING THE FISCAL AGENT

Section 6.01. Representations. The Fiscal Agent represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it in this Agreement and that it will carry out all of its obligations under this Agreement.

Section 6.02. Limitation of Liability. The liability of the Fiscal Agent to transfer funds to the Academy shall be limited to the amount of State School Aid Payments as are from time to time delivered by the State and the amount of Other Funds as delivered by the source of those funds.

The Fiscal Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Fiscal Agent be responsible for the consequences of any error of judgment; and the Fiscal Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its gross negligence or willful default.

The Fiscal Agent shall not be liable for any deficiency in the State School Aid Payments received from the State Treasurer to which the Academy was properly entitled. The Fiscal Agent shall not be liable for any State School Aid overpayments made by the State Treasurer to the Academy for which the State subsequently seeks reimbursement.

SCHEDULE 5

MASTER CALENDAR OF REPORTING REQUIREMENTS

**Public School Academy / School of Excellence
Master Calendar of Reporting Requirements
July 1, 2011 – June 30, 2012**

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
July 1	Board Adopted 2011-2012 School Calendar/School Day Schedule.	CSO
July 1	Board Adopted Annual Operating Budget for the General Fund and School Service Fund for 2011-2012.	CSO
July 1	Copy of Notice of Public Hearing for Annual Operating Budget for 2011-2012.	CSO
July 1	Copy of Parent Satisfaction Survey and Results from 2010-2011, if applicable.	CSO
July 25	DS-4168 Report of Days and Clock Hours of Pupil Instruction for 2010-2011 academic year, if applicable (See MDE website, www.michigan.gov/mde , for MDE due date and form).	CSO
August 1	Annual Organizational Meeting Minutes for 2011-2012.	CSO
August 1	Board Resolution appointing Chief Administrative Officer for 2011-2012.	CSO
August 1	Board Resolution appointing Freedom of Information Act Coordinator for 2011-2012.	CSO
August 1	Board Designated Legal Counsel for 2011-2012.	CSO
August 1	Board adopted Annual Calendar of Regularly Scheduled Meetings for 2011-2012.	CSO
August 31	4 th Quarter Financial Statements – quarter ending 06/30.	CSO
September 2	Organizational Chart for 2011-2012.	CSO
September 2	Board approved Student Handbook 2011-2012.	CSO
September 2	Board approved Employee Handbook 2011-2012.	CSO
September 2	Copy of School Improvement Plan covering 2011-2012 academic year.	CSO
September 2	Board adopted Policy referencing MCL 380.553(5)(k) prohibiting individuals from serving as an Academy Board member if the person's spouse, child, parent or sibling is employed by the school of excellence	CSO
October 3	Completed PSA and ESP/MC Insurance Questionnaires. Required forms available at www.gvsucso.org .	CSO
October 3	Annual Nonprofit Corporation Information Update for 2011. CSO will confirm filing via DLEG website.	CSO
October 14	Audited Financial Statements for fiscal year ending June 30, 2011. (See MDE Website, www.michigan.gov/mde , for MDE due date.	CSO
October 14	Management Letter (comments and recommendations from independent financial auditor) for fiscal year ending June 30, 2011, if issued. If a management letter is not issued, a letter from the Academy stating a management letter was not issued is required to be submitted.	CSO
October 14	Annual A-133 Single Audit for year ending June 30, 2011 is required if over \$500K in federal funds have been expended. If a single audit is not necessary, a letter from the Academy stating as such is required to	CSO

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
	be submitted.	
October 14	DS-4898 PSA Preliminary Pupil Membership Count for September 2011 Enrollment and Attendance for 1 st & 2 nd Year PSAs only. (See MDE website, www.michigan.gov/mde for MDE due date).	CSO
October 14	Annual Education Report for the 2010-2011 academic year to be submitted and presented at a public meeting.	CSO
October 28	1 st Quarter Financial Statements – quarter ending 09/30.	CSO
December 1	Academy's Technology Plan covering 2011-2012 or annual updates thereto.	CSO
January 6	Modifications to ISD's Plan for the Delivery of Special Education Services covering 2011-12 signed by a representative of the Academy.	CSO
January 31	2 nd Quarter Financial Statements – quarter ending 12/31.	CSO
January 31	Michigan Highly Qualified Teacher Verification Report. Required Form Available at www.gvsucso.org .	CSO
April 20	DS-4168-B District Report of Planned Number of Days and Clock Hours of Pupil Instruction for 2011-2012 (See MDE website www.michigan.gov/mde for MDE due date).	CSO
April 27	3 rd Quarter Financial Statements – quarter ending 03/31.	CSO
May 14	Notice of Open Enrollment & Lottery Process or Open Enrollment & Lottery Process Board Policy for 2012-2013.	CSO
June 1	Certificate of Boiler Inspection covering years 2011-2012.	CSO
June 29	Board Approved Amended Budget for 2011-2012 fiscal year (or statement that budget has been reviewed and no amendment was needed).	CSO
June 29	2011-2012 Log of emergency drills, including date, time and results. Sample form available at www.gvsucso.org .	CSO
June 29	Board adopted Letter of Engagement for year ending June 30, 2012 independent financial audit.	CSO
June 29	Food service license expiring 04/30/2013.	CSO

Ongoing Reporting Requirements July 1, 2011 – June 30, 2012

The following documents do not have a set calendar date; however, they require submission within a certain number of days from board action or other occurrence.

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
Date notice is posted	Academy Board Meeting Record of Postings – cancellations, changes, special meetings, emergency etc. Must include time and date of actual posting.	CSO
14 business days after Board meeting	Draft Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
14 business days after Board approval	Approved Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
30 business days after board approval	Board Adopted Annual Operating Budget for 2011-2012 including Salary/Compensation Transparency Reporting to be available on school website per the State School Aid Act as amended	No submission needed.
14 business days after Board approval	Oath of Office and written acceptance for each Board Member.	CSO
10 business days after Board approval	Board adopted <i>Amended</i> Budget and General Appropriations Resolution.	CSO
10 days of receipt	Correspondence received from the Michigan Department /State Board of Education requiring a formal response.	CSO
10 days of receipt	Correspondence received from the Health Department requiring a formal response.	CSO
10 days of receipt	Written notice of litigation or formal proceedings involving the Academy.	CSO
30 days prior to board execution	Board proposed draft Educational Management Company Agreements or Amendments thereto.	CSO
5 business days of receipt	Request and Responses to Freedom of Information Requests.	CSO

Original/Subsequent Board Policy Reporting Requirements July 1, 2011 – June 30, 2012

The following documents do not have a set calendar date; however, they require an original submission and subsequent submission if Board action is taken making amendments/changes.

REPORT DESCRIPTION	SUBMIT TO:
Articles of Incorporation. Must have GVSU Board approval before modifying.	CSO
Board of Director Bylaws.	CSO
Educational Service Provider Agreements/Amendments	CSO
Academy's Educational Goals.	CSO
Office of Fire Safety (OFS-40) – original occupancy permit and permits for renovations/additions, etc.	CSO
Lease, Deed of Premises or Rental Agreement and subsequent amendments (includes modular units).	CSO
Curriculum including any additions/deletions.	CSO
Asbestos Hazardous Emergency Response Act (AHERA) Management Plan. Visit www.michigan.gov/asbestos for Michigan's model management plan. A copy of the "acceptance" letter sent by MIOSHA is also required.	CSO
Communicable Disease Curriculum (including minutes of board approval).	CSO
Job Descriptions for all employee groups	CSO
REQUIRED BOARD POLICIES	
Board adopted Purchasing Policy (date of approval). Reference: MCL 380.1267, MCL 380.1274	CSO
Use of Medications Policy (date of approval). Reference: MCL 380.1178, 380.1178a, 380.1179	CSO
Harassment of Staff or Applicant Policy (date of approval). Harassment of Students Policy (date of approval) Reference: MCL 380.1300a	CSO
Search and Seizure Policy (date of approval). Reference: MCL 380.1306	CSO
Emergency Removal, Suspension and Expulsion of Students Policy (date of approval). Reference: MCL 380.1309; MCL 380.1312(8)&(9); MCL 37.1402	CSO
Parent/Guardian Review of Instructional Materials & Observation of Instructional Activity Policy Reference: MCL 380.1137	CSO
Board Member Reimbursement of Expenses Policy (date of approval). Reference: MCL 380.1254; MCL 388.1764b	CSO
Equal Access for Non-School Sponsored Student Clubs and Activities Policy (date of approval). Reference: MCL 380.1299	CSO
Electronic or Wireless Communication Devices Policy (date of approval).	CSO
Preparedness for Toxic Hazard and Asbestos Hazard Policy (date of approval). Reference: MCL 324.8316, 380.1256	CSO

Nondiscrimination and Access to Equal Educational Opportunity Policy (date of approval) Including, but not limited to, Michigan Constitution, Article I, §26, Elliott-Larsen Civil Rights Act, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.	CSO
Academy Deposit Policy (date of approval). PA 105 of 1855, being MCL 21.146, Section 11.10 of the Charter Contract	CSO
Parental Involvement Policy (date of approval). Reference: MCL 380.1294	CSO
Wellness Policy (date of approval). Reference: 42 USC §§ 1751, 1758, 1766; 42 USC § 1773	CSO

Calendar of Additional Reporting Requirements and Critical Dates July 1, 2011 – June 30, 2012

The following reports Academies must submit to the local ISD, MDE, CEPI and other organizations throughout the year.

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
September 28	Student Count Day for State Aid F.T.E.	No submission required.
September 30	SE-4096 Special Education Actual Cost Report (Contact ISD for due date).	ISD
October 3	Eye Protection Certificate (#4527 Certification of Eye Protective Devices Electronic Grant System [MEGS] if applicable.	CEPI
October 3	Certification of Constitutionally Protected Prayer	MDE
October 7	SE-4094 Transportation Expenditure Report (Contact ISD for due date).	ISD
October 1 – October 31 (as scheduled)	Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission needed.
Oct/Nov	School Infrastructure Database (SID); School-Wide Title I Participation	CEPI
Oct/Nov	Deadline for MEIS/Single Record Student Database (“SRSD”) electronic file (Contact the local ISD for due date.)	CEPI
November 1	Deadline for Immunization Records Report – IP100. (Contact Health Dept. for due date).	Local Health Dept.
November 14	Deadline for electronic submission to the Financial Information Database (FID, formerly known as the Form B). State aid will be withheld if the submission is not successful.	CEPI
Nov/Dec	Special Education Count on MI-CIS. Special education data must be current and updated in the Michigan Compliance and Information System (MI-CIS). This information is used to determine funding for next year (Contact local ISD for due date).	ISD
December 1 - December 31 (as scheduled)	Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission required.
Nov/Dec	Registry of Educational Personnel (REP) Submission	CEPI
December 30	Municipal Finance Qualifying Statement, if applicable (online submission).	MI Dept of Treasury
Feb 1	Deadline for Immunization Record Report – IP100 (Contact Health Dept. for due date). A financial penalty of 5% of a school’s state aid allocation can be assessed if the immunization rate is not at 90% or above.	Local Health Dept.
Feb 8	Supplemental Student Count for State Aid F.T.E.	No submission required.
March	FS-4731-C – Count of Membership Pupils eligible for free/reduced breakfast, lunch or milk (official date TBD).	MDE

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
March	MEIS/Single Record Student Database ("SRSD") electronic file (Contact local ISD for due date.)	ISD, CEPI
May 1 – May 31 (as scheduled)	Teacher Certification/ Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission required.
June	MEIS/ Single Record Student Database ("SRSD") electronic file (Contact local ISD for due date.)	ISD, CEPI
June	Registry of Educational Personnel (REP)	CEPI
June	School Infrastructure Database (SID)	CEPI

SCHEDULE 6

**INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL
MANAGEMENT COMPANY**

INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL MANAGEMENT COMPANY

In accordance with Section 11.15 of the Terms and Conditions, the following described categories of information are to be made available to the public by the Academy, and any Educational Management Company contracted by the Academy, as required under Section 553(5)(m) of the Code, MCL 380.553(5)(m):

1. Contract;
2. List of currently serving Directors with name, address, and term of office;
3. Academy Board policies;
4. Academy Board meeting agendas;
5. Academy Board meeting minutes;
6. Academy Board approved budget and amendments to budget;
7. Bills paid for amounts of \$10,000, or more as submitted to the Academy Board;
8. Quarterly financial reports submitted to the University Charter Schools Office;
9. List of all current Academy staff, including their total individual compensation. Additionally, copies of teaching certificates or permits, evidence of compliance with criminal background and records checks, and unprofessional conduct checks required under the Code for Academy teachers and school administrators.
10. Curriculum documents and materials submitted to the University Charter Schools Office;
11. Proof of insurance required by Contract;
12. Copies of facility leases or deeds, or both, and of any equipment leases;
13. Copies of any management contracts or services contracts approved by the Academy Board. The executed Educational Products and Services Agreement shall be incorporated into this Contract as Schedule 6;
14. Health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service;
15. Annual financial audit and any management letters issued as part of the annual financial audit; and
16. Any other information specifically required under the Code.

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the "**Agreement**") is made and entered into as of the 6th day of May, 2011, by and between **NATIONAL HERITAGE ACADEMIES, INC.**, a Michigan corporation ("**NHA**"), and **SOUTH CANTON SCHOLARS CHARTER ACADEMY**, a body corporate and public school academy (the "**Academy**").

RECITALS

The Academy is a charter school, organized as a public school academy under the Revised School Code (the "**Code**"). The Academy was issued a Charter Contract by Grand Valley State University (the "**Authorizer**") to organize and operate a public school academy. The Academy's Charter Application and the Charter Contract between the Academy and Authorizer, and all amendments to the Charter, are collectively referred to as the "**Charter**".

The Academy and NHA desire to create an enduring educational alliance, whereby the Academy and NHA will work together to promote educational excellence and innovation, based on NHA's school design, comprehensive educational program and management principles.

In order to facilitate the organization and opening of the Academy, and to implement an innovative educational program at the Academy, the parties desire to establish this arrangement for the management and operation of the Academy.

The Academy and NHA agree that no provision of this Agreement shall be construed to interfere with the Academy Board's constitutional duty to exercise its statutory, contractual and fiduciary responsibilities in governing the operation of the Academy. The parties acknowledge and agree that the Academy Board is an independent, self-governing public body which shall operate in accordance with the Charter and applicable law.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually agreed as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

A. Authority. The Academy's Board of Directors (the "**Board**") represents that it is authorized by law to contract with a private entity and for that entity to provide educational, business administration and management services. Upon issuance of the Charter to the Board by the Authorizer, the Board will be vested with all powers and authority necessary to operate a charter school under the Code.

B. Management Services. Subject to the terms and conditions of this Agreement, the Academy hereby contracts with NHA, to the extent permitted by law, for the provision of all labor, materials, equipment and supervision necessary for the provision of educational, business administration and management services.

C. Compliance with Academy's Charter. NHA agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter issued by Grand Valley State University Board of Trustees. The provisions of the Academy's Charter shall supersede any competing or conflicting provisions contained in this Agreement. NHA agrees to comply with the terms and conditions pursuant to Section 11.15 as set forth in the Charter.

D. Designation of Agents. Neither NHA nor its employees, agents or representatives shall be deemed an agent or employee of the Academy solely on account of this Agreement, except as follows:

1. The Board shall by Board resolution appoint the Board Treasurer, or such other officer as determined by the Board, to serve as the chief administrative officer of the Academy (the "CAO"). The Board resolution shall designate NHA's chief financial officer, or such other NHA officer or employee as is mutually agreed upon by NHA and the Academy, as the designated agent of the CAO to assist the CAO with the performance of the CAO's duties under the Uniform Budgeting and Accounting Act, MCLA 141.421 *et seq.* (the "**Budgeting and Accounting Act**").

2. NHA, and its respective officers, directors, employees and designated agents are each hereby authorized to serve as agents of the Academy having a legitimate educational interest in the Academy and its students for purposes of the Family Educational Right and Privacy Act, 20 U.S.C. §1232g *et seq.* ("FERPA"), such that they are jointly and severally entitled to access the educational records of the Academy for all purposes related to FERPA.

3. As otherwise expressly designated by written resolution or agreement of the Board.

E. Status of the Parties. The parties to this Agreement intend that the relationship between NHA and the Academy created by this Agreement is that of an independent contractor and not employer – employee. NHA shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. NHA is a for-profit Michigan corporation, and is not a division, subsidiary or employee of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division, subsidiary or employee of NHA. The relationship between NHA and the Academy is based solely on the terms of this Agreement, and the terms of any other written agreements between NHA and the Academy.

ARTICLE II

TERM

A. Term. This Agreement shall be effective as of May 16, 2011 and unless otherwise terminated pursuant to this Agreement, this Agreement shall continue until the termination or expiration of the Charter currently in effect, inclusive of any Charter reauthorization or renewal periods. The first school year of this Agreement shall be from July 1,

2011 to June 30, 2012, and each school year thereafter shall commence on July 1 and end on June 30 of the following year.

ARTICLE III

OBLIGATIONS OF NHA

A. Responsibility. NHA shall be responsible and accountable to the Board for the educational, business administration and management services of the Academy in accordance with the Charter. NHA's responsibility is expressly limited by: (i) the Academy's budget which is to be submitted in proposed form by NHA to the Board and approved by the Board as provided in this Agreement ("**Budget**"), and (ii) the availability of state funding to pay for said services. Subject to Article VI(B)(3), neither NHA nor the Academy shall be allowed to expend Academy funds on services in excess of the amount set forth in the Budget.

B. Educational Program. The Academy has adopted NHA's educational and academic programs and goals as set forth in the Charter (collectively the "**Educational Program**"). NHA, subject to the oversight of the Academy, agrees to implement and administer the Educational Program. The Educational Program was developed by NHA; in the event that NHA reasonably determines that it is necessary or advisable to make material modifications to the Educational Program, NHA shall inform the Board of the proposed changes and obtain Board approval, as well as Authorizer approval if required by the terms of the Charter. The parties hereto acknowledge that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency. The Academy and NHA each agree that they are interested in results and not in inflexible prescriptions. Not less than annually, and otherwise as requested, NHA will provide the Board with a progress report detailing progress made on each of the educational goals set forth in the Educational Program.

C. Specific Functions. Subject to the oversight and authority of the Board as provided herein, NHA shall be responsible for implementing the Educational Program and the educational, business administration and management services of the Academy including establishment of operational practices that are consistent with Board policy. Such functions include, but are not limited to:

1. Student recruitment and student admissions.
2. Implementation and administration of the Educational Program, including, without limitation, the acquisition of instructional materials, equipment and supplies and the administration of any and all extra-curricular and co-curricular activities and programs approved by the Board and NHA and funded by the Board Spending Account as defined in Article VI(B)(3).
3. Employment of personnel working at the Academy and management of all personnel functions, as set forth in Article VII below.
4. All aspects of the Academy's business administration.

5. All aspects of the accounting operation, including general ledger management, financial reporting, payroll, employee benefits and payroll tax compliance.

6. Transportation and food service to the extent such services are authorized by the Board and to the extent NHA agrees to provide such services.

7. All aspects of the Academy's facility administration.

D. NHA Purchases Funded By Board Spending Account. Items purchased by NHA for the Academy and paid for by the Academy with funds from the Board's Spending Account, as defined in Article VI(B)(3), such as non-proprietary instructional and/or curriculum materials, books, supplies and equipment, shall be the property of the Academy. At the Board's request, NHA shall provide the Board on an annual basis with a listing of all assets owned by the Academy. The property of the Academy excludes items leased, financed or purchased by NHA with NHA's Fee as defined in Article VI(C). NHA agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by NHA on behalf of the Academy with funds from the Board's Spending Account.

NHA, in making such purchases for the Academy pursuant to this subparagraph D, shall comply with Section 1274 of the Code, MCL 380.1274, as if the Academy were making such purchases itself from a third party, and shall provide the Board, upon request, with available documentation evidencing the costs associated with such purchases.

E. Subcontracts. NHA reserves the right to subcontract any and all aspects of all services it agrees to provide to the Academy, including, but not limited to transportation and/or food service. However, NHA shall not subcontract the management or oversight of the Educational Program, except as specifically permitted in this Agreement or with prior written approval of the Board.

F. Place of Performance. NHA reserves the right to perform functions other than instruction, such as purchasing, professional development, and administrative functions, off-site, unless prohibited by the Charter or applicable law.

G. Student Recruitment. NHA shall be responsible for the recruitment of students. Students shall be selected in accordance with the procedures set forth in the Charter and in compliance with the Code and applicable law. Marketing costs charged to the Academy shall be limited to those costs specific to the Academy and shall not include costs for the marketing of NHA.

H. Due Process Hearings. NHA shall provide student due process hearings in conformity with the requirements of the Academy's Charter and applicable law regarding discipline, special education, confidentiality and access to records. The Board shall retain the right to provide due process as required by law.

I. Legal Requirements. NHA shall implement and enforce rules, regulations and procedures applicable to the Academy that are consistent with adopted Board policy and the Educational Program in accordance with the Charter and applicable law. To the extent allowable under the Charter and permitted by the Authorizer, the Board shall interpret all applicable

federal, state and/or local laws, rules and regulations reasonably to give NHA flexibility and freedom to implement its Educational Program.

J. Rules and Procedures. NHA shall recommend to the Board reasonable rules, regulations, policies and procedures applicable to the Academy and is authorized and directed by the Board to enforce such rules, regulations and procedures adopted by the Board.

K. School Year and School Day. The school year and the school day schedule shall be approved by the Board as required under the Charter.

L. Pupil Performance Standards and Evaluation. NHA shall implement pupil performance evaluations that permit evaluation of the academic progress of each Academy student. NHA shall be responsible and accountable to the Board for the academic performance of students who are enrolled at the Academy. NHA will utilize assessment strategies required by the terms of the Charter and applicable law. The Board and NHA will cooperate in good faith to identify academic goals and methods to assess the students' academic performance.

M. Services to Disabled Students and Special Education. NHA shall provide special education services to students who attend the Academy in conformity with the requirements of applicable law. NHA may subcontract as necessary and appropriate for the provision of services to students with special needs. Such services shall be provided in a manner that complies with applicable law.

N. Contract between the Academy and Authorizer. NHA will not act in a manner that causes or would cause the Academy to be in breach of its Charter.

O. Unusual Events. NHA agrees to timely notify the Board and school administrator of any anticipated or known material: (i) health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could reasonably be expected to adversely affect the Academy in complying with the Academy's responsibilities under the Charter, this Agreement or applicable law.

P. Academy Records. The financial, educational and student records pertaining to the Academy (collectively the "**Academy Records**"), are property of the Academy. Except as may be prohibited or limited by the Charter or applicable law, the Academy Records shall be available to the Board and the Authorizer for their review, and are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying pursuant to applicable law. All Academy Records shall be physically or electronically available upon request at the Academy's physical facility.

Q. Intellectual Property Rights. "**Educational Materials**" shall include (without limitation) all curriculum, print and electronic textbooks, instructional materials, lesson plans, teacher guides, workbooks, tests and all other curriculum-related materials.

The Academy will own all proprietary rights to Educational Materials that: (i) are developed by the Academy and paid for out of the Board Spending Account (as defined in Article VI(B)(3)); or (ii) are developed by NHA or a third party at the direction of the Academy and paid for out of the Board Spending Account (the "**Academy Materials**").

NHA shall own all proprietary rights to, and the Academy's proprietary interest shall not include, Educational Materials that were developed by NHA or copywritten or similarly protected by NHA. NHA shall own all intellectual property rights, including (without limitation) copyrights in and to the Educational Program and all Educational Materials relating thereto, as well as any non-curriculum materials created or provided by NHA in connection with, or related to, the implementation of the Educational Program including, without limitation, all corrections, modifications, and derivatives thereof (collectively all of the foregoing shall be referred to as the "NHA Materials").

The parties acknowledge that to the extent the Academy's Materials are derivative of NHA Materials, the Academy's intellectual property ownership rights extend only to the new, original aspects of such works and not to any underlying or pre-existing material. Relevant Educational Materials and teaching techniques used by or at the Academy shall be subject to disclosure to the extent required under the Code and Freedom of Information Act.

NHA hereby grants to the Academy the non-exclusive, non-transferable license to use the NHA Materials in furtherance of the Educational Program during the term of this Agreement including, without limitation, the right to reproduce, publicly display, distribute, and create derivatives of same, in hard copy format, or electronically via the Academy's intranet. To the extent any part of the Academy Materials may be a derivative of NHA Materials, the Academy shall have the non-exclusive, non-transferable right to use such NHA Materials, as same may have been previously embodied or incorporated in the Academy Materials, beyond the termination or expiration of this Agreement solely in connection with the operation of the Academy and in the ordinary course of such operations. The Academy represents and warrants that during the term of this Agreement, or following the expiration or termination of this Agreement, the Academy will not exploit, or assist any third party in exploiting, the Academy Materials or any NHA Materials for commercial purposes. Subject to applicable law, inclusive of FERPA, the Academy hereby grants NHA the non-exclusive, irrevocable, worldwide, assignable right to use, distribute, modify and display the Academy Material, solely for education purposes in any and all media now known or hereafter developed.

NHA hereby grants the Academy the non-exclusive, non-transferable license to use ~~NHA's trade name and NHA's trademark(s) to promote and advertise the Academy. No other~~ use of the NHA Trademarks is permitted without NHA's prior written permission. The Academy shall acquire no rights in the NHA Trademarks, and all goodwill of the NHA Trademarks shall inure to the benefit of and remain with NHA. NHA shall have pre-approval rights for each form and manner of public display of the NHA Trademarks.

R. Facility. NHA shall use reasonable efforts to secure a facility to be leased or otherwise provided to the Board on terms mutually agreeable to NHA and the Board. Obligations of the Board created under the terms of such lease are to be fulfilled by NHA unless otherwise agreed to in writing by NHA and the Board. The facility shall comply with the requirements of the Charter and applicable law. NHA shall also use reasonable efforts to cause the facility to be furnished with equipment and technology as is reasonably necessary to implement the Educational Program.

ARTICLE IV

OBLIGATIONS OF THE BOARD

A. **Good Faith Obligation.** The Board shall be responsible for its fiscal and academic policies. The Board shall exercise good faith in considering the recommendations of NHA, including but not limited to, NHA's recommendations concerning policies, rules, regulations and budgets.

B. **Assistance to NHA.** The Board shall cooperate with NHA and, to the extent consistent with applicable law, shall timely furnish NHA all documents and information necessary for NHA to properly perform its responsibilities under this Agreement.

C. **Unusual Events.** The Board agrees to timely notify NHA of any anticipated or known material: (i) health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could reasonably be expected to adversely affect NHA in complying with its responsibilities hereunder.

D. **NHA Office Space.** Upon request by NHA, the Board shall provide NHA with suitable space at the Academy, provided: (i) the requested space is available and can be provided without materially prejudicing the Educational Program, and (ii) the requested space is used only for activities related to the Academy. The space shall be provided at no cost to NHA.

E. **Retained Authority.** The Board shall retain the authority to make reasonable regulations in accordance with applicable law relative to anything necessary for the proper establishment, maintenance, management, and operation of the Academy, including, without limitation, regulations relative to the conduct of pupils while in attendance at the Academy or en route to and from the Academy.

ARTICLE V

SOLICITATION AND USE OF PRIVATE FUNDS

NHA must seek the Board's approval prior to soliciting any non-governmental grants, donations or contributions on behalf of the Academy. Any such funds so received shall be used solely in accordance with the purpose for which they were solicited, applicable donor restrictions, or as otherwise approved by the Board. Subject to applicable donor restrictions, the Board shall determine the allocation of any funds subject to this Article V that remain unexpended following completion of the project or purpose for which they were originally designated.

ARTICLE VI

FINANCIAL ARRANGEMENTS

A. **Revenues.** Except as hereinafter provided, all monies received by the Academy Board shall be deposited in the Academy's depository account within three (3) business days with a financial institution acceptable to the Board; provided, however, that upon receipt of a notice from NHA, the Academy agrees to pay all such funds owing under this Agreement directly to the account or party specified in such notice. Interest income earned on the Academy depository account shall accrue to the Academy. Except as specifically excluded by the terms of this Agreement, the term "**Revenues**" shall include all funds received by or on behalf of the Academy, including but not limited to:

1. Funding for public school students enrolled at the Academy.
2. Special education funding provided by federal and/or state governments that is directly allocable to special education students enrolled at the Academy.
3. Gifted and talented funding provided by federal and/or state governments that is directly allocable to gifted and talented students enrolled at the Academy.
4. At-risk funding provided by federal and/or state governments that is directly allocable to at-risk students enrolled at the Academy.
5. Funding provided by federal and/or state governments that is directly allocable to students enrolled at the Academy with limited English proficiency.
6. All other federal and/or state grant sources, including, but not limited to, Title I and any start up funding allocable to the Academy.
7. All other grants and donations received by the Academy to support or carry out programs at the Academy (except to the extent NHA is not required or involved in soliciting, administering or managing the contribution and/or donation in which case such funds shall be deposited in the Board Spending Account).
8. Fees charged to students as permitted by law for extra services approved by the Board.

The Revenues shall be expended by NHA in accordance with the Budget and as otherwise authorized by the Board. The expenditure of Revenues received from governmental entities shall be consistent with all applicable regulations and policies. The expenditure of Revenues received from non-governmental grants, contributions and donations shall be made consistent with the provisions of Article V.

B. Budget

1. **Budget.** NHA shall provide the Board with an annual proposed Budget prepared and maintained in accordance with the Budgeting and Accounting Act and the Academy's Charter. The proposed Budget shall include all of the Academy's projected revenues and expenses at the object level as described in the Michigan Department of Education's Michigan School Accounting Manual. For the Academy's first school year, the proposed Budget shall be submitted prior to the beginning of the school year. Thereafter, the proposed Budget shall be submitted to the Board prior to June 1st for the next school year.

2. **Review and Approval of Budget.** The Board shall be responsible for reviewing and approving the Budget in accordance with the Charter and applicable law. The Budget shall be amended from time to time as necessary to comply with the Budgeting and Accounting Act.

3. **Board Spending Account.** Notwithstanding any other provision of this Agreement, each school year during the term of this Agreement, NHA shall pay to the Board an amount equal to the lesser of (i) 2% of state per pupil aid reflected in the Budget for that respective school year, or (ii) \$35,000 (the "**Board Spending Account**"). The aforesaid amount shall be deposited by NHA into the Board Spending Account pro-rata during the course of the Academy's school year as Revenues are received. All funds in the Board Spending Account are the property of the Academy and may be used by the Academy at the discretion of the Board. Funds in the Board Spending Account that are not spent by the Academy during the school year shall carryover to the Academy's next school year.

C. **Fee.** NHA shall receive all Revenues as its Management Fee (the "Fee"), from which it shall pay all operating costs of the Academy as detailed in the Budget. NHA and the Board acknowledge that operating costs include an administrative fee of 3% payable to the Authorizer as set forth in the Charter. It is anticipated that NHA will be paid its Fee on the same frequency that the Academy receives its Revenues. NHA shall be entitled to retain as compensation for its services rendered pursuant to this Agreement the difference, if any, between the amount of the Fee and the amount actually expended by NHA in operation and/or management of the Academy during the Academy's fiscal year.

D. **Availability of Funds.** Except as specifically set forth in this Agreement, NHA shall only be required to perform its responsibilities under this Agreement to the extent that there are sufficient Revenues to make payments in accordance with the terms of the Budget.

E. **Other Schools.** The Academy acknowledges that NHA has entered into similar management agreements with other schools. NHA shall maintain separate accounts for expenses incurred in the operation of the Academy and other schools managed by NHA, and shall reflect in the Academy's financial records only those expenses incurred in the operation of the Academy. If NHA incurs expenses that are for both the benefit of the Academy and other schools managed by NHA, then NHA shall allocate, to the extent permitted by law, such expenses among all such affected schools, including the Academy, on a prorated basis based

upon the number of enrolled students, the number of classrooms, or the number of teachers at the affected schools, or on such other equitable basis.

F. Financial Reporting. NHA shall provide the Board with:

1. The annual proposed Budget as required by the terms of this Agreement.
2. Statement of Revenues, Expenditures and Changes in Fund Balance detailing all revenues received, and all expenditures for services rendered or expenses incurred in operation of the Academy. The Statement of Revenues, Expenditures and Changes in Fund Balance shall include detail of budget to actual revenue and expenditures with an explanation of variances.
3. Reports on Academy operations and student performance shall be provided to the Board quarterly, unless otherwise reasonably requested by the Board.
4. Such other information as the Board may reasonably request to enable the Board to (i) evaluate the quality of the services provided by NHA to the Academy, and (ii) timely provide all reports and information that the Academy is required to provide pursuant to the Charter and applicable law.

G. Access to Records. NHA shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in possession of NHA, and shall retain all of the aforereferenced records according to the Charter and applicable law to which such books, accounts, and records relate. NHA and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law.

H. Accounting Standards/Annual Audit.

1. **Accounting Standards.** The Academy shall at all times comply with generally accepted public sector accounting principles, accounting system requirements of the State School Aid Act of 1979, as amended, and applicable Michigan Department of Education rules.

2. **Annual Audit.** The Board shall select and retain an independent auditor to conduct an annual audit of the Academy's financial matters in accordance with the Academy's Charter and applicable law. Subject to applicable law, all records in the possession or control of NHA that relate to the Academy, including, but not limited to, financial records, shall be made available to the Academy and the Academy's independent auditor.

I. Start-up Costs/NHA Contribution. NHA will provide start-up funds for (i) the development of curriculum, a technology system and a school operations plan; (ii) recruiting, selecting and training of staff members; and (iii) cleaning, renovating (to the extent necessary as reasonably determined by NHA) and equipping of the Academy facility. In addition, NHA may, but need not, make contributions to the Academy in the event Academy expenses exceed revenues (the "Contributions"). NHA Contributions, if any, shall be in amounts acceptable to

NHA and the Board and shall be included in the Budget. The Academy shall not be legally obligated to repay NHA for NHA Contributions made to or on behalf of the Academy. NHA's agreement to make such Contributions shall not be deemed to negate or mitigate the need for the Academy to apply for or solicit state or federal start-up funds, grants or sub-grants which the Academy, as a public school, may be eligible to receive.

ARTICLE VII

PERSONNEL & TRAINING

A. Personnel. NHA shall select and hire qualified personnel to perform services at the Academy. NHA shall have the responsibility and authority, subject to subparagraphs B, C and D below, to select, hire, evaluate, assign, discipline, transfer, and terminate personnel consistent with the Budget and applicable law. Personnel working at the Academy shall be employees of NHA unless otherwise agreed by NHA and the Board. Each party shall be responsible for their respective employees. However, the compensation of all employees working at the Academy shall be included in the Budget. Upon Board request, NHA shall disclose to the Board the level of compensation and fringe benefits provided by NHA to NHA employees working at the Academy. A criminal background check and unprofessional conduct search in compliance with applicable law shall be conditions for the hiring of or services provided by any person who will or may be reasonably expected to have unsupervised access to and the care, custody or control of, any Academy student(s).

B. School Administrator. The Academy Administrator (the "Administrator") shall be an employee of NHA and not the Board. The duties and terms of the Administrator's employment shall be determined by NHA. The Administrator shall work with NHA in the operation and management of the Academy. The accountability of NHA to the Academy is an essential foundation of this Agreement. Since the Administrator is critical to the Academy's success, NHA shall have the authority, consistent with subparagraph A above, to select, hire, evaluate, assign, discipline, transfer and terminate the Administrator, and to hold the Administrator accountable for the performance of the Academy. NHA shall consult with the Board prior to the placement and/or removal of the Administrator at the Academy. Absent compelling circumstances, the consultation shall commence at least ninety (90) days prior to ~~NHA placing and/or removing the Administrator at the Academy.~~ NHA shall give due consideration to the input, if any, of the Board or board's designated representative prior to making a final decision regarding placement and/or removal of the Administrator at the Academy. NHA shall remove the Administrator from the Academy if the Board is reasonably dissatisfied with the Administrator's performance. Absent compelling circumstances, however, the Board shall give NHA and the Administrator six (6) months to correct the basis for the Board's reasonable dissatisfaction. The parties agree that the purpose of the above provisions is not to deny the Administrator the opportunity for growth and/or promotion within NHA. Notwithstanding any of the foregoing, the placement of the initial Administrator for a new Academy shall be made by NHA.

C. Teachers. NHA shall, consistent with subparagraph A above, provide the Academy with teachers qualified to teach their assigned subjects and grade level. The curriculum taught by the teachers shall be consistent with the Educational Program. The

teachers may, at the discretion of NHA, work at the Academy on a full or part time basis. If working at the Academy on a part time basis, the teacher(s) may also work at other schools managed or operated by NHA. The cost for such teacher(s) shall be shared proportionately among the schools at which the teacher(s) are working. Each teacher working at the Academy shall hold a valid teaching certificate issued by the state board of education or applicable state agency to the extent required by the Code.

D. Support Staff. NHA shall, consistent with subparagraph A above, provide the Academy with qualified support staff as needed to operate the Academy in an efficient manner. The support staff may, at the discretion of NHA, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, the support staff may also work at other schools managed or operated by NHA. The cost for such support staff shall be shared proportionately among the schools at which the support staff is working. An individual who provides a service to students in the Academy that is not teaching, and for which a license is required under Michigan law, must have the appropriate license to provide the service in Michigan.

E. Training. NHA shall provide training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Instructional personnel shall receive at least the minimum hours of professional development as required by the Code. Non-instructional personnel shall receive training as NHA determines reasonable and necessary under the circumstances.

F. Background Checks and Qualifications. NHA shall comply with Michigan law regarding background checks, unprofessional conduct searches and certification/licensure, as applicable, for all persons working in the Academy.

G. Terms of Employment. No member of the staff at the Academy shall be subject to any covenant not to compete or other employment restriction as part of the terms of his or her employment with NHA for services at the Academy.

H. Limitations on Discretion. All decisions made by NHA, and any discretion exercised by NHA, in its selection, hiring, evaluation, assignment, discipline, transfer, and termination of personnel, shall be consistent with the Budget, the parameters adopted and included in the Educational Program, and applicable law.

ARTICLE VIII

TERMINATION OF AGREEMENT

A. Termination.

1. **By NHA.** NHA may, at its option, terminate this Agreement prior to the end of the terms specified in Article II in the event the Board fails to remedy a material breach within thirty (30) days after notice from NHA. A material breach includes, but is not limited to, NHA's failure to receive for any reason compensation or reimbursement as required by the terms of this Agreement, or the Academy's loss or suspension of its Charter.

2. **By Academy.** The Academy may terminate this Agreement prior to the end of the terms specified in Article II in the event that NHA shall fail to remedy a material breach within thirty (30) days after notice from the Board. A material breach includes, but is not limited to: (i) failure to account for its expenditures or to pay Academy operating costs in accordance with the terms of the Budget (provided funds are available to do so), (ii) failure to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board that are not in violation of the Charter, this Agreement, or applicable law, (iii) receipt by the Board of unsatisfactory reports from NHA or from an educational consultant retained by the Board about matters concerning NHA's performance or the performance of the Academy that are not adequately corrected or explained; or (iv) if this Agreement or its implementation would serve as grounds for revocation of the Academy's Charter or would otherwise jeopardize tax exemptions or non profit tax status of the Academy.

3. **By Either Party.** Either party may terminate this Agreement for any reason upon giving not less than ninety (90) days' notice to the other party.

4. **Revocation or Termination of Charter.** If the Academy's Charter issued by the Grand Valley State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy's Charter is revoked or terminated without further action of the parties.

B. Termination/Expiration.

1. **Effective Date of Termination.** In the event this Agreement is terminated by either party prior to the end of the term specified in Article II, absent a material breach or unusual and compelling circumstances, and absent an effective date to the contrary determined under Article VIII(A)(4), the termination will not become effective until the end of the then current school year in which the notice of termination is issued.

2. **Removal of Personal Property.** Upon termination or expiration of this Agreement, NHA shall have the right to remove equipment and other assets owned or leased by NHA. Equipment and other assets owned by the Academy or leased by the Academy from third parties shall remain the property of the Academy.

3. **Amounts Due upon Termination or Expiration.** Except as otherwise provided in this Agreement or unless otherwise agreed to in writing by NHA, upon termination or expiration of this Agreement for any reason, the Academy shall pay or reimburse NHA for: (i) the prepaid portion of any expenses paid by NHA in accordance with the Budget; and (ii) for any outstanding liabilities incurred by NHA as of the effective date of the termination of this Agreement, in accordance with the budget or as a result of NHA's obligations under this Agreement. NHA will provide the Academy with written documentation of all such amounts.

4. **Transition.** NHA, for a fee reasonably acceptable to NHA, may at its sole discretion assist the Academy for a period not to exceed ninety (90) days following the effective date of termination of this Agreement, with the Academy's transition to another administrative or managerial arrangement (notwithstanding the foregoing, NHA will have no obligation to provide

any assistance to the Academy if the Academy intends to transition to another management company or service provider).

ARTICLE IX

INDEMNIFICATION

A. Indemnification. To the extent not prohibited by the Charter or applicable law, each party to this Agreement does hereby agree to indemnify and hold the other party (the "**Indemnified Party**"), harmless from and against any and all claims, actions, damages, expenses, losses or awards which arise out of (i) the negligence of the indemnifying party, (ii) any action taken or not taken by the indemnifying party, or (iii) any noncompliance or breach by the indemnifying party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used in this subsection, Indemnified Party shall include the party's trustees, directors, officers, employees, agents, representatives and attorneys. Such indemnification may be achieved by the joint purchase of general liability and property insurance policies, or by such other means as the parties may mutually agree. Notwithstanding anything in this Agreement to the contrary, the Academy Board shall not be precluded by the terms of this Agreement from asserting or declining to assert a claim of governmental immunity.

B. Indemnification of Grand Valley State University. The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board's approval of the School of Excellence application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or NHA, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement.

ARTICLE X

INSURANCE

A. **Insurance Coverage.** NHA shall maintain such policies of insurance as required by the Charter, Michigan Universities Self-Insurance Corporation ("MUSIC"), and applicable law. In addition, NHA shall maintain an umbrella liability policy of not less than two million dollars (\$2,000,000.00) (or such greater amount if required by the terms of the Charter, MUSIC or applicable law). Each party shall maintain general liability insurance in the amount of One Million Dollars (\$1,000,000.00) per occurrence (or such greater amount if required by the terms of the Charter, MUSIC or applicable law), with the other party listed as an additional insured if permitted by MUSIC. The Academy shall maintain insurance on its facility and related capital items leased by the Academy, all as required by the terms of the Academy's lease(s). Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this paragraph. In the event that MUSIC requests any change in coverage by NHA, NHA agrees to comply with any change in the type and amount of coverage requested by MUSIC within thirty (30) days after notice of the insurance coverage change is provided to NHA. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

B. **Workers' Compensation Insurance.** Each party shall maintain workers' compensation insurance as required by law, covering their respective employees.

ARTICLE XI

WARRANTIES AND REPRESENTATIONS

A. **Academy Warranties and Representations.** The Board warrants and represents that, on behalf of and in the name of the Academy, it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement. The Board warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

B. **NHA Warranties and Representations.** NHA warrants and represents that it is a corporation in good standing and is authorized to conduct business in the State of Michigan. NHA will comply with all registration and licensing requirements relating to conducting business under this Agreement. The Board agrees to assist NHA in applying for such licenses and permits and in obtaining such approvals and consents.

C. **Mutual Warranties.** The Board, on behalf of the Academy, and NHA mutually warrant to the other that there are no pending actions, claims, suits or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

ARTICLE XII

MISCELLANEOUS

A. Entire Agreement. This Agreement and any attachments to this Agreement shall constitute the entire agreement of the parties on the subject matter set forth in this Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and NHA.

B. Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement in accordance with the termination provisions contained in this Agreement if sufficient grounds exist as provided in the Article governing termination.

C. State Governing Law/Waiver of Jury Trial. The rights of all parties hereto shall be subject to the jurisdiction of courts located in Kent County, Michigan, and be construed according to the laws of the State of Michigan without regard to conflict of law principles. NHA and the Academy hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either NHA or the Academy against the other.

D. Official Notices. All notices and other communications required by the terms of this Agreement shall be in writing and sent to the parties hereto at the facsimile number or address set forth below. Notice may be given by (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by facsimile, or upon the date of postmark if sent by certified or registered mail, or upon the date of delivery if given by personal delivery. Notices to the Academy shall be sent to the current address of the then current Board president, with a copy to the then current Board attorney. The address of the parties hereto for the purposes aforesaid, inclusive of the address of the initial Board president, are as follows:

The Academy:	South Canton Scholars Charter Academy
	Attn: President, Board of Directors
	3085 S. Canton Center Road
	Canton, Michigan 48197
	Telephone: () _____
	Facsimile: () _____

WITH A COPY TO:

Law Office of La Rae G. Munk, P.C.
1650 Sanctuary Circle
Howell, Michigan 48855
Telephone: (517) 410-6957

NHA:

National Heritage Academies, Inc.
Attn: Chief Financial Officer
3850 Broadmoor, S.E. Ste. 201
Grand Rapids, Michigan 49512
Telephone: (616) 222-1700
Facsimile: (616) 222-1701

WITH A COPY TO:

McShane & Bowie
Attn: John R. Grant
1100 Campau Square Plaza
99 Monroe Ave., N.W.
Grand Rapids, Michigan 49501
Telephone: (616) 732-5000
Facsimile: (616) 732-5098

E. Assignment. NHA may assign this Agreement with the prior written approval of the Board.

F. Amendment. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both an authorized officer of the Academy and NHA.

G. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

H. Cost and Expenses. If any party commences an action against another party as a result of a breach or alleged breach of this Agreement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

I. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.

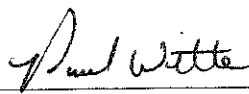
J. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to NHA powers or authority of the Board which are not subject to delegation by the Board under the Charter or applicable law.

K. Compliance with Law. The parties to this Agreement agree to comply with the Charter and all applicable law.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

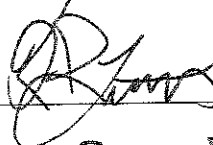
Date: May 6, 2011

NATIONAL HERITAGE ACADEMIES,
INC., a Michigan corporation

By: 
Paul Witte
Its: Sr. Director – Legal and Compliance

Date: May 6, 2011

SOUTH CANTON SCHOLARS
CHARTER ACADEMY

By: 
Its: Board President

SCHEDULE 7

ACADEMY SPECIFIC INFORMATION & EDUCATIONAL PROGRAM

SCHEDULE 7-1

EDUCATIONAL GOALS AND PROGRAMS

SCHEDULE 7-1

EDUCATIONAL GOALS

Standards for Schools Serving from Kindergarten to Eighth Grade:

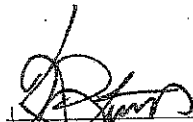
Standard #1: On the average of all MEAP tests administered or successor state test administered, the public school academy will meet or exceed the performance of its select peer district. A select peer district is the school district Grand Valley State University identifies as a reasonable comparison district for the public school academy.

Standard #2: On the average of all MEAP tests or successor state test administered, the public school academy will meet or exceed the performance of its compositional peer district. The comparison scores for the compositional peer district are populated by the weighted total of MEAP scores from those districts in which the PSA's students physically reside.

Standard #3: The public school academy will not average more than one-half a standard deviation below GVSU's MEAP or successor state test/Free-Reduced Lunch regression model for all grades and subjects included in the model.

Standard #4: The Fall to Spring growth rate of each grade and subject for which the administered nationally norm-referenced test is designed will fall at the fiftieth percentile or higher.

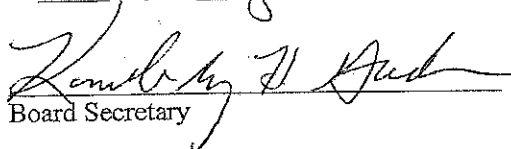
Date: 5/6/11



Board President/Vice President Signature

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the South Canton Scholars Charter Academy Board of Directors at a properly noticed open meeting held on the 16th day of May, 2011, at which a quorum was present.



Board Secretary

SCHEDULE 7-2

CURRICULUM

Schedule 7-2 Curriculum

The instructional program at South Canton Scholars Charter Academy will be driven by the curriculum's essential learning goals for all students. These learning goals encompass academic standards in the core areas of learning including English language arts, mathematics, science, and social studies, as well as other areas of learning such as the arts, music, and physical education. Because individual responsibility, integrity, personal character, and effort are important contributors to success in school and life, and because character traits such as perseverance are highly correlated with college success, character development and the teaching of virtues will be an explicit and integrated component of the curriculum. When coupled with high-quality instruction and solid curricular tools to support instruction, the curriculum will promote academic success for students, equipping them with the knowledge, understanding, and skills needed to meet or exceed the Michigan Content Standards and ensuring college readiness.

The school's instructional program includes clear, coherent, and sequential learning standards, which are labeled Educational Objectives, for all grade levels and in all content areas. Core content area summary information is included.

English Language Arts

Literacy, including reading and writing, is a critical component of college readiness. The ELA curriculum is designed to produce highly literate students who are proficient readers and strong writers. The curriculum enables students to read, comprehend; write, and respond thoughtfully to what they encounter in the classroom and the world around them through its reading, writing, speaking, listening, and viewing components.

In early grades, the curriculum emphasizes the five components of reading instruction as outlined by the National Reading Panel, including phonemic awareness, phonics, fluency, vocabulary, and text comprehension. The curriculum also helps students develop the intellectual processes needed to remember, understand, analyze, evaluate, apply, and extend the ideas they encounter while reading. Student learning is enhanced through reading a variety of fiction and nonfiction texts, including a wide range of expository/informational and literary genres. Through writing, students learn the technical skills and processes necessary to produce different types of texts, with appropriate conventions, but also learn to write creatively and critically. And through speaking, listening and viewing, students become collaborative and reflective in their learning processes. Students who master the ELA curriculum are prepared to read for deep meaning and understanding, write and speak effectively to communicate ideas and information while using appropriate language conventions, listen actively and critically as they encounter new information and ideas, and generate new ideas based on what they encounter both inside and outside the classroom.

Beyond this, the curriculum in grades K-2 focuses on and supports the process of learning to read. Decoding, word recognition, and building vocabulary are important as students begin to develop understanding and fluency. In grades 3-5, the curriculum supports a transition from learning how to read to reading in order to learn; learning shifts to understanding that texts have specific purposes and reading with those purposes in mind. Students are introduced to informational text in addition to a variety of literary texts. Reliance on the basal reader decreases and additional resources like novels, newspapers, magazines, and web-based resources are used to support reading instruction. In grades 6-

8, the curriculum focuses on extending reading and comprehension skills, developing deep evaluation and analysis skills and the ability to make connections within and between texts.

The language arts curriculum supports learning in language conventions, mechanics, spelling, and writing. In the earliest grades, students learn how to write words and sentences using appropriate mechanics and grammar and begin to use the writing process to convey information and narrative through written text. In middle grades, the curriculum develops in students a deeper understanding of writing through a focus on prewriting strategies, organizational formats, drafting, revising, proofreading and publishing. The curriculum ensures that students learn to write for different purposes; writing includes narratives, stories, poems, interpretive responses, essays and descriptive pieces. In later grades, the curriculum continues to extend students' writing skills through narrative, expository, persuasive, and technical writing, and technology enhances students' ability to write, revise, edit and publish their work. Grammar, punctuation, spelling and writing conventions are taught as part of language arts for students in all grades.

Mathematics

If students are to be well-equipped for college and beyond, students must be prepared through their K-8 education to take Algebra II courses in high school. The development of a deep understanding of mathematical concepts makes such success possible. The school's mathematics curriculum is designed to ensure that all students complete Algebra I by eighth grade, thus ensuring that successful students are on a college-readiness trajectory. Students who successfully complete Algebra I prior to entering high school are much more likely to complete Algebra II and other more advanced mathematics prior to graduating high school.

The National Council for Teachers of Mathematics has recognized the importance of the study of algebra in developing mathematical fluency and has also noted the importance of the study of other mathematics components such as number sense and number operations, measurement, geometry, data analysis and probability and problem solving. The curriculum focuses on each of these components beginning in Kindergarten. Number Sense is developed through a variety of concrete models, allowing students to use the area of the brain used for the comprehension of mathematical knowledge. Students are prepared to be fluent in computation using formal algorithms and also learn essential measurement and data analysis skills. Students also learn to make connections and apply mathematical knowledge through problem solving and inquiry.

In grades K-2, algebraic awareness, number sense and computational fluency are the main focus of students' learning. Students develop the skills necessary to progress into higher level mathematics; through open-ended problem solving, they increase their critical thinking skills and ability to see connections across mathematics as well as other subjects. In grades 3-5, learning shifts from computation to fractional awareness. The part-to-whole relationships that are developed in these early grades lead to a deeper understanding of fractions, percents, decimals, and computation. Algebraic skills move from pattern recognition and development to the creation of equations and the use of variables. As students move into grades 6-8, the focus shifts to the study of algebra and functions. Number sense remains a critical focus area through the study of integers, rational and irrational numbers, exponents, and absolute values. Conceptual ideas are integrated through lab activities that provide exploratory opportunities for students to explicitly connect abstract ideas to concrete examples.

The mathematics curriculum also ensures that students become effective as mathematical communicators by engaging them in thinking, reading, and writing about mathematics to help them

understand the foundational concepts necessary for success in more complex mathematical coursework.

Science

As the Association for the Advancement of Science and the National Council on Science explain, developing college-ready and scientifically literate students involves teaching a mixture of content knowledge, the practices and skills of scientists, and information on the nature of science. The curriculum, which includes study in Life Science, Physical Science, and Earth and Space Science, is designed to develop content knowledge about the results of scientific discoveries regarding the natural world. The teaching of practices and skills of scientists requires that students participate in the scientific process of inquiry and discovery through conducting investigations, using instruments and applying mathematical skills that model the process used by scientists to learn about the universe. The curriculum provides students with the opportunity to participate in the scientific process, in addition to read, write, discuss and experiment with science through high level thinking and problem solving. It also ensures that students use the scientific processes and skills through lab work and investigations.

The content of the science curriculum students in grades K-2 focuses scientific learning primarily through the study of events and phenomena in nature that can be observed with the five senses. Investigations at this level are modeled, simple and structured, allowing students to write journals on their discoveries, create simple pictographs of data, and draw conclusions from observations under the direction of the teacher. The incorporation of non-fiction readers on each topic provides students the opportunity to develop grade level appropriate science vocabulary.

Building on these foundational skills, including the integration of Language Arts and Math, the curriculum for grades 3-5 directs students to begin exploring cause and effect connections between events (e.g., the sun rises every day and it gets warmer during the day, ergo, the sun provides heat to earth). Investigations for students in grades 3-5 are still often modeled, but they are more complex and involve more detailed measurements, a variety of tools such as balances and microscopes and require students to control for multiple variables. Students engage in the practices of scientists as they chart data, complete lab reports, and create graphs in order to communicate results of investigations orally and in writing while defending their conclusions.

The curriculum for students in grades 6-8 includes further exploration of cause and effect relationships while also connecting knowledge of concepts to real world examples and solidifying congruence between students' understanding of phenomena to that of the scientific community. Investigations are more student-directed, from the guiding question through the scientific procedures to the organizing, analyzing and reporting of data.

Social Studies

The Social Studies curriculum ensures that students are not only prepared for college, but prepared for the rest of their lives as global citizens. According to ACT, developing students' understanding in the disciplines of history, culture, economics and civics ensures that they are ready for college. In addition to supporting learning in these areas, the Social Studies curriculum also allows students to develop and utilize critical thinking skills by making connections, inferences and arguments around the content and skills they are learning in these disciplines. This focus on content, skills, and critical thinking produces students that are knowledgeable in Social Studies and prepared to participate in society as informed citizens.

The curriculum emphasizes the Social Studies disciplines that will best prepare students to be intelligent members of society. Students who master the Social Studies curriculum understand how geography and economics interact in a global society. Through exposure to primary and secondary sources, students develop knowledge of our shared national and world history and are able to make connections between the past and present and between cultures and government systems that are familiar and those that are not.

Specifically, the Social Studies curriculum in grades K-2 focuses on students being able to describe basic historical events, people, and conflicts and to develop an understanding of their own culture and local community. In these early grades, students begin to become exposed to the history and cultures of places around the world to expand their knowledge beyond what is in close proximity to them. By grades 3-5, the curriculum helps students describe historical happenings in more detail while allowing them to comment on how these happenings had an impact on other historical occurrences in American and world cultures. By grades 6-8, students are regularly practicing how to make connections between historical events in the United States and the world and current events, as well as developing their knowledge of the relationship between geography, history, economics, and culture.

The Social Studies curriculum also supports learning geography, economics, and civics. In the primary grades, students become familiar with basic geographical representations, economic concepts and resources, and functions of government by studying local examples of their community and school. In the intermediate grades, the curriculum gives students opportunities to extend this basic knowledge to gather more complex information, describe concepts in more detail, and deepen their understanding of the relationship between geography, economics, and civics. Third through fifth grade students extend their learning by studying these relationships through national examples. In the middle school grades, the curriculum helps the students use their knowledge of geography, economics, and civics to make generalizations about countries around the world, compare these countries to the United States and to describe how these disciplines work together in a global society.

Character Development

Because teaching virtues is integral to the development of children and to preparedness for high school and college, the curriculum includes explicit, integrated character development. This component of the curriculum, called Moral Focus, identifies the skills, behaviors, character traits, and virtues that students need to apply their academic learning as citizens and to be successful learners in high school and college. A comprehensive character development approach, drawing from both the Smart & Good Schools Initiative and the Cardinal Virtues, is focused through the study of Moral Character, Performance Character, and Social Character.

Moral Character guides students towards becoming their best self. Through the curriculum, students learn that character is defined by the virtues that they incorporate as a consistent part of their behavior. They also learn that they, as individuals, bear the responsibility for developing these virtues. This aspect of the curriculum consists of a school wide focus around nine monthly virtues, which were derived from the Cardinal Virtues. Students develop these virtues through explicit teaching and integrated practice, until they become settled habits. Each monthly virtue is comprised of three focus virtues that build from kindergarten to eighth grade. This allows students to acquire a deep understanding of each virtue. Each monthly focus virtue within the curriculum is clearly defined within the curriculum and includes expected student behavior as it relates to that virtue.

Performance Character helps students grow in their ability to do their best work. Through the study of performance character, students learn that effort creates ability and that achievement must be earned. Students learn to strive for excellence in all that they do, work hard to overcome obstacles, find joy in a job well done, and develop the work and study habits needed to succeed in school and life. Students develop the skills to take ownership of their learning, and they acquire the tools needed to be able to define, prioritize and complete tasks independently and utilize their time efficiently. In addition to these academic strategies, students learn to set goals for improvement and to monitor their progress in meeting those goals.

Social Character focuses on the skills students need to interact best with others. The social character aspect of the Moral Focus curriculum enhances students' ability to listen and be understood by others. Students learn to identify and manage their emotions in order to regulate their behavior and make wise choices. They consider possible outcomes, alternatives, and consequences to their choices with the understanding that they alone are responsible for their actions. Students also acquire the tools needed to have effective and lasting interpersonal relationships with others.

Students learn to internalize these concepts through the intentional and consistent focus on the application of Moral Focus concepts throughout all aspects of school life. The Moral Focus curriculum is not another subject taught during the school day, for it defines the character traits and behaviors that need to be consistently and intentionally modeled for and exhibited by students at all times throughout the day. Complete integration is essential for students to learn the importance of developing and maintaining a strong personal character and the qualities necessary for success as both a student and a citizen. Through consistent modeling and integration of the virtues and behaviors identified in the Moral Focus curriculum, staff and students create a learning environment built on a foundation of respect and care where everyone works hard to achieve academic goals and improve school culture.

SCHEDULE 7-3

STAFF RESPONSIBILITIES

Schedule 7-3 Staff Responsibilities

Job Title: Principal
Department: School Administration
Reports To: Director of School Quality
Employed By: National Heritage Academies

SUMMARY

The principal is dedicated to achieving the mission of “Challenging each child to achieve...”. He or she will hold the unwavering belief that all children can and will learn given the right opportunities. Qualified principals will have a proven track record of achieving significant rates of student growth. Strong leadership and management skills are also required as is the ability to provide instructional support to teachers. To these ends, the principal must be committed to and capable of developing school culture, promoting student achievement, and implementing seamless school operations.

ESSENTIAL DUTIES

The duties include working with students, families and staff to create a thriving school community focused on achieving results. The principal must be able to effectively direct and coordinate educational, administrative, and counseling activities; formulate policy at the school level; make hiring and termination decisions; set salaries; evaluate teacher performance; and plan for his or her own succession.

QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

A qualified principal has between four and ten years of school leadership experience in working with diverse student populations. The Principal will meet applicable state certification requirements. The principal will be able to demonstrate achievements in student proficiency and growth that can be specifically linked to their leadership and interventions. The ability to interpret student performance data and to develop strategies that differentiate learning based on assessment results is key. Dedication to ongoing professional development is important and the principal should be familiar with education journals, research and current trends in education. As a building leader, the principal should also be comfortable working with financial reports and legal documents.

Both oral and written communication skills are key to success as a principal. The principals will be able to respond aptly to common inquiries from parents, the community, and the authorizer and to present information to the Board of Directors. He or she will have the ability to problem solve and to draft correspondence appropriate to the circumstances. The principal will support and always seek to fulfill the guiding concepts for the school embodied in the mission and the school’s moral focus program.

SUPERVISORY RESPONSIBILITIES

A Principal will directly supervise a group of employees, not to exceed 15 employees. This group includes Deans and front office staff, and may in some circumstances include paraprofessional staff, special education and/or specials teachers. The principal will carry out supervisory responsibilities in

accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to sit; use hands to handle; and reach with hands and arms. The employee is occasionally required to stand and walk. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is occasionally exposed to wet and/or humid conditions and outside weather conditions. The noise level in the work environment is usually moderate.

Job Title: Dean
Department: School Administration
Reports To: Principal
Employed By: National Heritage Academies

SUMMARY

Deans hold leadership positions within the school and must share their colleagues' commitment to achieving the mission of the school. They must possess an unrelenting drive to change lives, make a difference, transfer knowledge, and create opportunity. Deans will effectively manage people, develop teachers, demonstrate the ability to build culture, and aspire to model the virtues adopted in the moral focus program.

ESSENTIAL DUTIES

Deans are responsible for management oversight and will hold specifically defined roles within the leadership structure. As such, they will manage a subset of the school staff, and provide primary responsibility for various areas of leadership across the building. Like the principal, these responsibilities require individuals who can respond to common inquiries from parents and the community, and who are able to problem solve and communicate effectively.

QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Qualified deans possess a Bachelor's Degree or higher and a minimum of three to five years of experience in teaching. The Dean will meet applicable state certification requirements. As instructional leaders, deans will demonstrate success in leading, motivating and coaching a team of teachers, who have mastered instructional best practices, and who are continuously seeking new and better approaches to teaching and learning.

SUPERVISORY RESPONSIBILITIES

Directly supervises a subset of instructional employees in the school, to include teachers, special education and paraprofessional staff. He/she will carry out supervisory responsibilities in accordance with the organization's policies and applicable laws. Deans, with the assistance of the Principal, are involved in the interviewing, hiring and training of employees. Responsibilities include planning, assigning and directing of work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to sit; use hands to handle; and reach with hands and arms. The employee is occasionally required to stand and walk. The employee must occasionally lift and/or move up to 25

pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is occasionally exposed to wet and/or humid conditions and outside weather conditions. The noise level in the work environment is usually moderate.

Job Title: **Teacher**
Department: **School Teachers**
Reports To: **Dean**
Employed By: **National Heritage Academies**

SUMMARY

Teachers at the school are committed to the mission and possess an unwavering dedication to promoting high expectations and academic growth. Teachers do not work independently in their classrooms but collaborate with their grade-level teams in planning lessons, honing instructional techniques, and achieving learning objectives. Teachers are able to participate collaboratively and professionally with other staff, as well as with parents, volunteers, and the community. Teachers will promote and always seek to fulfill the guiding concepts for the school, including its mission, moral focus program, and vision.

ESSENTIAL DUTIES

Teachers will be responsible for creating, managing, and participating in a variety of learning environments and activities that provide opportunities for students to develop to their fullest potential and achieve their learning objectives. Teachers will have the ability to apply knowledge of current research and theory to the instructional program and to plan and implement lessons based on school objectives and the needs and abilities of students.

QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

EDUCATION and/or EXPERIENCE

Bachelor's degree is required along with appropriate licensure/certification. Teaching experience, preferably at the elementary school level, is desired.

LANGUAGE SKILLS

Ability to read, analyze and interpret general business periodicals, professional journals, technical procedures, and governmental regulations. Ability to write reports, business correspondence, and procedure manuals. Ability to establish and maintain effective working relationships with students, peers, parents and community; ability to speak clearly and concisely in written and oral communication.

MATHEMATICAL SKILLS

Ability to add, subtract, multiply and divide all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret graphs. Ability to work with mathematical concepts such as probability and statistical inference, and fundamentals of plane and solid geometry and trigonometry. Ability to apply mathematical concepts to practical situations.

REASONING ABILITY

Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to deal with a variety of abstract and concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.

CERTIFICATES, LICENSES, REGISTRATIONS

Teaching Certificate/License/Permit with appropriate endorsements valid in the state the Teacher will be teaching.

OTHER SKILLS AND ABILITIES

Ability to apply knowledge of current research and theory to instructional program; ability to plan and implement lessons based on school objectives and the needs and abilities of students. Ability to establish and maintain effective relationships with students, peers and parents; skill in oral and written communication. Ability to perform duties with awareness of all NHA requirements and School Board policies. Ability to use technology for instructional purposes and to teach current technology skills and the use of technology tools for grade level. Ability to apply knowledge about legal issues to the work setting.

PHYSICAL DEMANDS

The physical demands described here are those that must be met by an employee to successfully perform this job. Reasonable accommodations may be made to enable qualified individuals with disabilities to perform the essential physical functions.

While performing the duties of this job, the employee is regularly required to talk and hear. The employee frequently is required to sit; use hands to handle; and reach with hands and arms. The employee is occasionally required to stand and walk. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is occasionally exposed to wet and/or humid conditions and outside weather conditions. The noise level in the work environment is usually moderate.

Job Title: Library Technology Specialist
Department: School Staff
Reports To: Principal
Employed By: National Heritage Academies

SUMMARY

The Library Technology Specialist at the school will ascribe to the school's mission and share his or her colleagues' commitment to providing an unparalleled educational opportunity to its students. The Library Technology Specialist will be passionate about introducing students to classic and contemporary literature, instilling them with a life-long love of reading, and instructing them in information literacy. He or she will support and aspire to model the mission of the school and the virtues emphasized in the moral focus program.

ESSENTIAL DUTIES

The Library Technology Specialist will work with classroom teachers to help plan and integrate lessons and provide resources. Students will use technology to research, compose, and present information related to topics studied in other content area classes. He or she must possess the leadership capacity and expertise necessary to ensure that the library and educational technology programs are an integral part of the instructional program of the school

QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The school will seek a Library Technology Specialist with a bachelor's degree, experience teaching in a library/media center, and a master's level endorsement in educational technology or library science. As a staff member who is likely to interact regularly with every student, teacher, and administrator, the Library Technology Specialist must possess excellent communication skills, be able to establish and manage effective working relationships, and readily assume the responsibilities of leader, trainer, manager, teacher, and information specialist.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to sit; use hands to handle; and reach with hands and arms. The employee is occasionally required to stand and walk. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is occasionally exposed to wet and/or humid conditions and outside weather conditions. The noise level in the work environment is usually moderate.

Job Title: Special Education Teacher
Department: School Teachers
Reports To: Dean
Employed By: National Heritage Academies

SUMMARY

The school will seek a special education teacher who is committed to the school's mission and aspires to model the virtues of the moral focus program. He or she will possess unwavering dedication to changing lives, creating educational opportunity for students and instilling a life-long love of learning. In a position that requires working with students of various academic, physical, and emotional needs, the special education teacher must be able to adapt, prioritize, and work collaboratively with other teachers at the school.

ESSENTIAL DUTIES

The Special Education Teacher is responsible to work with students in the K-8 program that experience emotional, learning, and physical disabilities and are eligible for special education programs and services as determined by an IEP committee. While working with these special education students, the Special Education Teacher may also work with At-Risk students within the general education population and in the general education classroom in conjunction with the support they are providing to students with special needs.

QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The school will seek a special education teacher with a Bachelor's degree with certification in at least one disability area, experience working with special education students, and a high level of verbal communication and interpersonal skills. He or she will possess discretion, integrity, and flexibility and have a clear understanding of issues of confidentiality.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to sit; use hands to handle; and reach with hands and arms. The employee is occasionally required to stand and walk. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is occasionally exposed to wet and/or humid conditions and outside weather conditions. The noise level in the work environment is usually moderate.

Job Title: **Registrar**
Department: **Office Staff**
Reports To: **Principal**
Employed By: **National Heritage Academies**

SUMMARY

The registrar at the school must be committed to the mission of the school, seek to fulfill the virtues of the moral focus program, and be a dedicated team player. The school will seek a registrar who can communicate effectively with parents, students, school staff, and the community and is able to supervise school volunteers. The registrar will often be the first representative of the school that parents and others interact with, and thus must be able to create a customer-centered, professional environment.

ESSENTIAL DUTIES

The registrar is accountable for the organization and daily functioning of student enrollment management; maintaining student information in the AtSchool database, including course schedules; and ensuring compliance with People Services policies.

QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The registrar will possess an Associate's Degree and/or two to four years of experience in an office or school administrative position and must be proficient with PCs and basic Microsoft Office software.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to sit; use hands to handle; and reach with hands and arms. The employee is occasionally required to stand and walk. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

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While performing the duties of this job, the employee is occasionally exposed to wet and/or humid conditions and outside weather conditions. The noise level in the work environment is usually moderate.

SCHEDULE 7-4

METHODS OF ACCOUNTABILITY AND PUPIL ASSESSMENT

SCHEDULE 7-4

Grand Valley State University shall evaluate the success of the Academy by considering multiple areas of performance. A Comprehensive Performance Review (CPR) system will be established by Grand Valley State University Charter Schools Office and shall include, but not be limited to, the performance of the Academy in the areas of student performance, board governance, organizational performance, compliance reporting, facility conditions, fiscal strength and reporting and other pertinent performance data, as required by federal and state law, the authorizing contract, or desired by the authorizer for review.

Included in the Comprehensive Performance Review shall be the requirements of Article VI Section 6.5 of the authorizing agreement, which states:

Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:

- a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
- b) an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
- c) an annual education report in accordance with the Code;
- d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the University Charter Schools Office Director; and
- e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

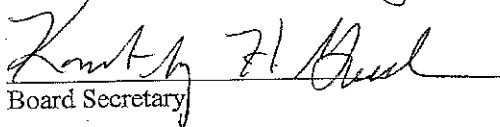
Date: 5/6/11



Board President/Vice President Signature

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the South Canton Scholars Charter Academy Board of Directors at a properly noticed open meeting held on the 6th day of may, 2011, at which a quorum was present.



Board Secretary

SCHEDULE 7-5

ACADEMY'S ADMISSION POLICIES AND CRITERIA

SOUTH CANTON SCHOLARS CHARTER ACADEMY

Admission and Enrollment Policy

Admission to the Academy shall be open to all age-appropriate children for grade levels offered in accordance with the Academy's charter contract without charge for tuition and without discrimination on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin or any other basis that would be illegal for an existing school district. Admission shall comply with all applicable federal and state laws. Admission shall be limited to those students who are residents of the state, except a foreign exchange student.

The Academy will remove barriers to the enrollment and retention in school of children and youth experiencing homelessness by developing and implementing practices and procedures consistent with the McKinney-Vento Homeless Education Assistance Act and applicable state law. The school will ensure that all identified homeless children and unaccompanied youth receive a free and appropriate education and are given meaningful opportunities to succeed in the school.

It is the policy of the Board that its educational service provider develop and implement practices and procedures that control the admission and enrollment of students, including public notice, lottery and random selection drawing to be used when the number of applicants exceed the number of available spaces for grades offered. Detailed application, lottery and admission practices and procedures shall be available to parents and the general public at the school office. The Board will annually approve offered seats and maximum class size of the Academy.

References:

US Constitution, Fourteenth Amendment

Title IX of Education Amendments Act (20 USC 1681 et. seq.)

The Civil Rights Act of 1964

The McKinney-Vento Homeless Education Assistance Act (42 USC §11434a[2])

Rehabilitation Act of 1973 (29 USC 791 et. seq.)

Equal Educational Opportunity Act of 1974 (20 USC 1703 et. seq.)

The Americans with Disabilities Act of 1990 (42 USC 12101 et. seq.)

Michigan Constitution

MCL 37.1101 et. seq.; 37.1402; 37.2402; 380.503 et. seq.; 380.504 et. seq.; 380.1146; 380.1704

National Heritage Academies Admissions and Enrollment Practices & Procedures

National Heritage Academies Homeless Child Practices & Procedures

Effective Date: _____, 2011

NHA PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI)

The school will comply with all applicable federal and state laws related to admissions and enrollment.

Non-Discrimination

The school will not discriminate on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin or any other basis that would be illegal for an existing school district.

Open Enrollment Period and Notice

The “**Open Enrollment Period**” is for a period beginning May 13, 2011 and ending May 27, 2011 at 5:00 p.m. for the 2011-12 school year. In all subsequent years, the “**Open Enrollment Period**” is from the first day of school of the current school year until 5:00 p.m. on the last day of business in February of the current school year. Notice of the Open Enrollment Period and application process will be designed to inform the persons most likely to be interested in the school.

National Heritage Academies (NHA) and/or the school will provide notice of open enrollment by (a) printing a legal notice of the enrollment period in a local newspaper of general circulation; (b) mailing a written notice of the open enrollment period and an application to all families who inquire about school enrollment; and (c) posting a written notice of the open enrollment period at the school. In addition, notice may also be provided by airing a public service announcement on local television.

As part of the enrollment process, the school staff will seek to meet with families, parents and students prior to the first day of school via parent and student orientation meetings. In this way, applicants and their parents will have the opportunity to become fully informed as to the nature and scope of the school, its curriculum, and requirements.

Application Procedures

Interested parties may obtain applications at:

- The offices of the school
- The service center of NHA at 3850 Broadmoor SE, Suite 201, Grand Rapids, MI 49512
- www.nhaschools.com or by calling NHA at 866-NHA-ENROLL

Applications will be mailed or faxed to anyone requesting an application by telephone.

Applications for the current school year will be accepted until the end of the current school year and available seats will be filled. Applications for the subsequent school year are received during the Open Enrollment Period. If applications received exceed offered seats in any grade level (“over-subscribed grades”), a random selection process will take place for all grade levels including under-subscribed grade levels. If applications received are fewer than offered seats in each and every grade level (“under-subscribed grades”), all eligible applicants will be accepted and a random selection process will not be conducted.

All applications received after the Open Enrollment Period will not be eligible to participate in the random selection process, and will be added to the end of the accepted list if offered seats are still available after the random selection process, or to the resulting waiting list created at the time of the random selection process.

Accepted applicants must confirm their intent to attend the school within four weeks of acceptance by returning certain initial forms, including an Admissions Form and an Official Release of Records Form. The school will send letters to parents reminding them of this obligation in order to enroll their child. The school will send all applicants a postcard to inform parents that if the student does not attend the first day of school or call in to request an excused absence by the date and time indicated, the student will forfeit

NHA PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI)

his/her registered status in the school and will not be enrolled. The school will attempt to call all applicants who have not responded to inquire whether the applicant is still planning to attend.

Once students are enrolled and remain enrolled, they will remain eligible to be re-enrolled at the school for successive years without having to reenter the random selection process. However, they will be requested to complete a re-enrollment form by the end of the Open Enrollment Period showing intent to re-enroll for the subsequent school year. All applicants on a waiting list must resubmit an application for the following school year during the next Open Enrollment Period.

Standby Opportunity Plan

The Standby Opportunity Plan (SOP) is a procedure by which the school may decide to revise its waiting list on the first day of school. If the school follows this procedure, the school will send all applicants on the waiting list a registration card prior to the first day of school. To be included in the SOP, the applicant must return the card to the school by the date indicated and include phone numbers where the applicant can be reached the first day of school between the times listed on the card. In the event of an offered seat becoming available, the school will attempt to reach the parent participating in the SOP and offer the seat. If the school cannot reach the parent at the phone numbers and during the times provided on the card, the school will contact the next person on the waiting list who is participating in the SOP. If a student participates in the SOP and a seat is not available for them, they will receive a higher waiting list priority than those students who did not participate.

Random Selection Process

The random selection process shall be open to the public, and the school will notify all applicants of the time and place. A neutral third party person will be present during the random selection process. This person will not be related to any student, staff member, or anyone applying to the school. Names will be randomly selected until all offered seats have been filled. Any remaining names will be randomly selected to establish waiting list priority used to fill offered seats prior to and during the school year for which the student applied. After all eligible names have been randomly selected, the school will add the names of applicants who submitted applications after the Open Enrollment Period in the order in which they were received. The random selection process will be videotaped. In the event of any discrepancy, the video tape will be the official record of placement of students.

Class Size and Offered Seats

Class size and offered seats will be recommended by NHA and submitted to the school board of directors for approval. In order to make provision for student attrition (reenrolling students who indicate that they are coming back but do not return on the first day of school) and erosion (new students who have been accepted for offered seats but are absent without excuse on the first day of school), the school may over-subscribe grades. The number of students to be over-subscribed will be determined based on historical and forecasted attrition and erosion. In addition, the number of classrooms may fluctuate in the event the number of students enrolled warrants the increase or decrease in number of classrooms. In no event will over-subscription, or fluctuations in the number of classrooms result in a violation of any provision or limit contained within the school's charter or applicable law.

Enrollment Preferences

Enrollment preference is first given to currently enrolled students. Next preference is given to the following ordered categories of applicants:

- Siblings of currently enrolled students
- Siblings of students selected in the random selection process
- All remaining applicants

NHA PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI)

If a student is selected for a grade level that still has offered seats available and the student has a sibling applying for a grade that no longer has offered seats available, the student will be accepted for his/her grade level and the student's sibling will be placed on the waiting list for his/her grade level with sibling preference. Therefore, while sibling preference applies, siblings are not guaranteed a seat.

Procedural Steps

Step 1: Setup

A list with the name of each student who submitted an application during the Open Enrollment Period will be created. The list will include the student's name, grade level to which the student is applying, street address, and names and grade levels of any siblings who are also applying for admission to the school.

Step 2: Admission of Applicants Applying for Under-Subscribed Grades

A neutral third-party person will randomly select the names of each applicant for each under-subscribed grade level. If the accepted student has siblings who are also applying for admission, the siblings will be accepted if there are offered seats available, or placed on the waiting list with sibling preference if offered seats are not available. This admissions process will continue for the successive under-subscribed grades for all students until all names have been selected with their associated siblings.

Step 3: Admission of Applicants Applying for Over-Subscribed Grades

A neutral third-party person will then randomly select the order in which over-subscribed grades will be filled. Student will be randomly selected for available seats or placed on the waiting list if an offered seat is not available. If the selected student is accepted and has siblings who are also applying for admission, the siblings will be accepted if there are offered seats available or placed on the waiting list with sibling preference if offered seats are not available. If the selected student is placed on the waiting list and has siblings who are also applying, the siblings' names will not be selected at this time, but will wait until their grade level is selected.

Step 4: Waiting List Priority

Students will continue to be randomly selected until all names are selected. After a grade level's seats are full, all remaining names will be placed on the waiting list in the order in which they are selected. Applications received after the Open Enrollment Period will be added to the end of the waiting list for the appropriate grade in the order in which they were received.

When a seat becomes available in a particular grade due to attrition, erosion, or other event, if that particular grade has a waiting list, that available seat will be filled by the first student on the waiting list for that particular grade. If a waiting list does not exist for that particular grade, but exists for another grade, the school may (subject to applicable enrollment limits and board approved offered seats) fill the available seat using the first student on the waiting list in a different grade, the grade deemed most beneficial to student and school considering class size, teacher capacity, and other school operational factors.

Appeals

Any parent or guardian who wishes to contest or appeal any aspect of the random selection process may do so in writing to the school's board of directors sent to the school's address. Following receipt of the parent's written appeal, a representative of the board of directors will contact the parent to discuss the nature of the concern or objection. Final decisions will be made by the board of directors or its designee.

Homeless Child

1. PURPOSE

To remove barriers to the enrollment and retention in school of children and youth experiencing homelessness in compliance with the McKinney-Vento Homeless Education Assistance Act (42 USC §11434a[2]) ("McKinney-Vento Act").

2. PRACTICE

The school will adhere to the provisions of the McKinney-Vento Act and applicable state requirements to ensure that all identified Homeless Children and Unaccompanied Youth receive a free and appropriate education and meaningful opportunities to succeed in the school.

Definitions

"Homeless Child" - a child who does not have a fixed, regular, and adequate nighttime residence or whose primary nighttime location is in a public or private shelter designated to provide temporary living accommodations, or a place not designed for, or ordinarily used as regular sleeping accommodations for human beings. This definition includes a child who is:

- sharing the housing of other persons due to loss of housing, economic hardship or similar reason (sometimes referred to as double-up);
- living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;
- living in a car, park, public space, abandoned building, substandard housing, bus or train stations or similar settings;
- abandoned in hospitals;
- awaiting foster care placement (eligibility for services for children already placed in foster care should be discussed between the Liaison and the social service provider);
- a migratory child who qualifies as homeless because he or she is living in circumstances described above; or
- an Unaccompanied Youth.

"School of Origin" - the school the child attended when permanently housed or the school in which the child was last enrolled.

"Unaccompanied Youth" - a youth not in the physical custody of a parent or guardian.

3. APPLICABILITY

This document applies to all National Heritage Academies (NHA) schools.

4. RESPONSIBILITY

4.1 The school principal will designate a local homeless Liaison ("Liaison").

4.2 The Liaison will serve as one of the primary contacts between homeless families and school staff, district personnel, shelter workers, state coordinators for Homeless Children, public and private service providers in the community, housing and placement agencies, and other service providers.

Homeless Child

4.3 The Liaison will:

- Identify and enroll Homeless Children;
- Ensure that Homeless Children and their families receive eligible educational services;
- Make referrals to health, mental health, dental, and other services;
- Inform parents/guardians of educational and related opportunities available to their children;
- Provide parents/guardians with meaningful opportunities to participate in their child's education;
- Inform parents/ guardians and Homeless Children of all transportation services, and assist them in accessing these services;
- Clearly communicate all required information in a form, manner, and language that is understandable;
- Ensure proper mediation of enrollment disputes according to the McKinney-Vento Act and complaint procedures;
- Disseminate public notice of the educational rights of Homeless Children;
- Conduct annual training for school personnel on possible indicators of homelessness, sensitivity in identifying Homeless Children, and procedures for reporting to the Liaison; and.
- Record *AtSchool* information (See Exhibit 6.1);

5. PROCEDURES

5.1 Identification

The burden is on the school to show that the child is not a Homeless Child. The Liaison, in collaboration with school personnel and community organizations, will identify Homeless Children, both in and out of school. Community organizations may include family and youth shelters, soup kitchens, motels, campgrounds, drop-in centers, welfare departments and other social service agencies, street outreach teams, faith-based organizations, truancy and attendance officers, local homeless coalitions, and legal services.

The Liaison must use the Student Residency Questionnaire ("SRQ") (Exhibit 6.2; for Louisiana, see Exhibit 6.3) upon enrollment and clearly describe current living arrangements of the child to determine whether the child meets the definition of a Homeless Child. Upon the receipt of an SRQ indicating potential homelessness, the Liaison will implement these practices and procedures document and ensure adherence with federal, state and NHA requirements.

NOTE: For New York schools only: Upon determination of appropriate school selection, the parent (or Liaison if no parent is available) will complete the New York STAC-202 form (Exhibit 6.4), following the instructions contained therein. Upon receipt of the STAC-202 form, the Liaison will forward the form to the New York Commissioner, Intervention Services at the NHA Service Center, and keep a copy in the school's records.

5.2 School Selection

Homeless Children have the right to remain at their School of Origin or to attend any school that houses students who live in the attendance area in which they are actually living.

Homeless Child

If the parent/guardian agrees, Homeless Children will remain at their School of Origin to the extent feasible. Homeless Children may remain at their School of Origin the entire time they are in transition and until the end of any academic year in which they become permanently housed. The same applies if they lose their housing between academic years.

Feasibility is a child-centered determination, based on the needs and interests of the particular child and the parent/guardian or child's wishes. Services that are required to be provided, including transportation and services under federal and other programs, shall not be considered in determining feasibility. Feasibility considerations may include:

- Safety of the child;
- Continuity of instruction;
- Likely area of family or child's future housing;
- Time remaining in the academic year;
- Anticipated length of stay in temporary living situation;
- School placement of siblings; or
- Whether the child has special needs that would render the commute harmful.

5.3 Enrollment

The school selected for enrollment must immediately enroll any Homeless Child. Unaccompanied Youth may either enroll themselves or be enrolled by a parent, non-parent caretaker, older sibling, or the Liaison. Enrollment may not be denied or delayed due to the lack of any document normally required for enrollment, any unpaid school fees, lack of uniforms or clothing that conforms to the school's dress code or any factor related to the child's living situation.

The school will coordinate the transfer of school records with other schools and contact the child's previous school to obtain school records. Initial placement of a child whose records are not immediately available will be made based on the child's age and information gathered from the child, parent, and previous schools or teachers. If no immunization records are available, the school office will refer students to the Liaison to assist with obtaining these records from state registries and/or community based clinics.

The school will excuse any tardiness or absence related to a Homeless Child's living situation when applying any school policy regarding tardiness or absences.

5.4 Services

The school must provide Homeless Children services comparable to services offered to other students in the school, including:

- Transportation;
- Title I;
- Educational services for which the student meets eligibility criteria, including special education and related services and programs for English language learners;
- School nutrition programs (the school will provide free meals to the Homeless Child as all Homeless Children are automatically eligible for free meals);
- Vocational and technical education programs;
- Gifted and talented programs; and
- Before- and after-school programs

Homeless Child

Transportation

At a parent/guardian's request, the school will provide transportation to and from the School of Origin. The Liaison will coordinate these arrangements, which may include arrangements with the social service district. The school must provide the transportation for the entire time the child has a right to attend that school, as defined above, including during pending disputes. The length of the commute will only be considered in determining the *feasibility* of placement in the School of Origin based on potential harm to the child. Prior to selection of a school, the Liaison will inform the parent/guardian or Unaccompanied Youth of this right to transportation. Transportation disputes will not result in a Homeless Child missing school. If such a dispute arises, the school will arrange transportation and immediately bring the matter to the attention of the state authorities following the appropriate complaint procedures as detailed in this document.

Title I

Homeless Children are automatically eligible for Title I services. The school will reserve the necessary funds to provide services comparable to those provided to Title I students attending non-participating schools, including education related support services and removing barriers that prevent attendance. The Liaison and the Title I director at the NHA Service Center will develop the formula (based upon the per-pupil Title I expenditures) to use for determining the necessary funds to reserve.

The Title I director and the Liaison will ensure coordination between the Title I plan and the McKinney-Vento Act, including the academic assessment, reporting and accountability systems required by federal law and the U.S. Department of Education.

Educational Services

The school shall give evaluations of Homeless Children suspected of having a disability priority and coordinate the evaluation with the student's prior and subsequent schools, as necessary, to ensure timely completion of a full evaluation. When necessary, the school will expeditiously designate a surrogate parent for Homeless Children suspected of having a disability. The school will immediately implement the child's Individualized Education Program (IEP), if available, and promptly conduct any necessary IEP meetings or re-evaluations. If complete records are not available, IEP teams will use good judgment in choosing the best course of action, balancing procedural requirements and the provision of services in an attempt to avoid any disruption in services.

5.5 Complaint and Dispute Resolution

The following steps and procedures should take place in resolving disputes regarding enrollment, school placement, or services.

Complaint

- A complaint is an oral or written and signed statement alleging the violation of a federal or state law, rule, or regulation. The complaint must allege a violation that occurred not more than one (1) year prior to the date that the complaint is received,

Homeless Child

unless a longer period is reasonable because the violation is considered systemic or ongoing.

- Parents, teachers, administrators, or other concerned individuals or organizations may file a complaint ("Complainant"). Faculty and staff with knowledge of a complaint must refer the Complainant to the Liaison.
- The Complainant may submit the complaint in writing to the Liaison, using the attached Complaint Resolution Initiation Form (Exhibit 6.5). The Complainant may choose to initiate the complaint orally.

Role of School

- Immediately enroll the child in the school preferred by the person(s) bringing the complaint.
- Provide all educational services for which the child is eligible, pending resolution of the dispute.

Role of Liaison

- After receipt of the complaint, the Liaison must provide a written explanation of the school placement decision and/or provided services to the Complainant and discuss the complaint with the Complainant. The Liaison must provide a written proposed resolution or a plan of action to the Complainant within five (5) days of receipt of the complaint, or within seven (7) business days of notification of dispute (Georgia only).
- If the Liaison does not resolve the dispute, the Complainant may forward it to the school principal. The Liaison must provide a written resolution to the parties within five (5) days of the discussion with the principal, or within ten (10) business days of the second dispute (Georgia only). The Complainant has a right to obtain assistance from advocates or attorneys in addressing a complaint.
- The Liaison will carry out the dispute resolution in an expeditious manner and will provide the Complainant these written procedures, including the appeal procedures outlined below.
- In the event the school is unable to resolve the complaint, the Complainant may pursue the applicable appeal procedure(s).

Appeal Procedures – Colorado

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting a mediator from the Colorado Mediator Resource Network (services at no charge to the Complainant) or may direct the Complainant to the Colorado Department of Education (CDE).

Address the complaint to the following address:

- State Coordinator for the Education of Homeless Children and Youth, Colorado Department of Education, State Office Building, 201 East Colfax Avenue, Denver, Colorado 80203-1799.

Use the Colorado Dispute Report Form (Exhibit 6.6) during the appeal process.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;

Homeless Child

- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

If the State Coordinator is unable to resolve the complaint within 15 business days, the Complainant may file a written complaint to the State Coordinator who, with a team, will review the complaint with the mandates of the Title X law. Within 15 days of receipt of the complaint, the Coordinator will issue a written decision to the parties via mail.

Appeal Procedures – Georgia

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Georgia Department of Education state homeless coordinator. The Liaison may assist the Complainant in contacting the Department.

Address the complaint to the following address:

- Program Consultant, Homeless Education Program, Georgia Department of Education, 1866 Twin Towers East, 205 Jesse Hill, Jr. Drive, SE, Atlanta, Georgia 30334.

Appeal Procedures – Indiana

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Indiana Department of Education (IDOE). Complaints made under this process must be in writing and signed by the Complainant.

If the complaint involves enrollment or school placement of homeless children, address the complaint to the following address:

- State Board Liaison; Indiana Department of Education; Room 299, State House; Indianapolis, Indiana 46204.

If the complaint involves comparable services offered to homeless children, address the complaint to the following address:

- Director of the Division of Educational Options; Indiana Department of Education; Room 299, State House; Indianapolis, Indiana 46204.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

Homeless Child

The IDOE will issue a letter of acknowledgement to the Complainant and the Liaison containing the IDOE's commitment to issue a resolution in the form of a *Letter of Findings*.

An IDOE complaint investigator will review all relevant information and issue the *Letter of Findings* to the Complainant.

If the complaint involves enrollment or school placement, a hearing shall be held with each interested party given at least 10 days notice of the hearing. Any interested party may appear at the hearing in person or by counsel, present evidence, cross-examine witnesses, and present in writing or orally summary statements of position. The Indiana State Board of Education or a hearing examiner may conduct the hearing at any place in Indiana.

The determination of the IDOE or Indiana State Board of Education as a result of the proceedings described above is final and binding on the parties to the proceedings.

Appeal Procedures – Louisiana

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting the local (EBR) Liaison for assistance with the appeal process. In the event the dispute is not resolved at the (EBR) Liaison level, the Complainant may contact the State Coordinator to hear an appeal of the Local (EBR) Liaison's decision.

Address the complaint to the following address:

- State Coordinator – Homeless Education, Louisiana Department of Education, Office of School & Community Support, P.O. Box 94064, Baton Rouge, Louisiana 70804.

The DOE will acknowledge receipt of the complaint in writing to the Complainant and provide written resolution of the complaint within 60 days of the date the DOE receives the complaint. The decision will include the Complainant's right to request the Secretary of the U.S. Department of Education to review the final decision of the DOE, at the Secretary's discretion.

Appeal Procedures – Michigan

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Michigan Department of Education. Complaints made under this process must be in writing and signed by the Complainant.

Address the complaint to the following address:

- State Homeless Coordinator, Office of Field Services, Michigan Department of Education, P.O. Box 30008, Lansing, MI 48909.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and

Homeless Child

- the relief the person is seeking.

The State Homeless Coordinator will gather needed information from statements of the parties involved and will forward the information to the Director of the Office of Field Services along with a recommendation of resolution or for further investigation.

Within 30 days after receiving a complaint, the Director of the Office of Field Services will recommend a resolution and will inform interested parties in writing of the decision.

If a Complainant or one of the parties involved in the complaint disagrees with the decision, that party may, within 10 working days, appeal to the Deputy Superintendent. This appeal must be in writing and state why the party disagrees with the decision of the Director of the Office of Field Services.

Within 30 days after receiving an appeal, the Deputy Superintendent will render a final administrative decision and notify the Complainant and the school in writing.

If the party disagrees with the decision of the Deputy Superintendent, the party may request a review of the decision by the United States Secretary of Education in accordance with 34 CFR Part 299.11.

Appeal Procedures – North Carolina

If the dispute is not resolved at the school level, the Complainant may direct the complaint, orally or written, to the North Carolina Department of Public Instruction.

Address the complaint to the following address:

- State Homeless Coordinator, Homeless Education & Rural Education Achievement Program Consultant, Compensatory Education, NC Department of Public Instruction, 6351 Mail Service Center, Raleigh, NC 27699-6351.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The Liaison will provide the State Homeless Coordinator with any information that the State Homeless Coordinator requests regarding the issues presented in the appeal.

The State Homeless Coordinator will provide the school and the Complainant the opportunity to respond to any decision made and to provide any additional evidence the Complainant deems relevant.

Within 10 schools days following receipt of the appeal, the State Coordinator shall issue a final written decision to the school and the Complainant .

Homeless Child

Appeal Procedures – New York

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting the Commissioner, completing the New York Form Petition (Exhibit 6.7), and providing copies of the form and supporting documentation at no cost to the Complainant.

The Liaison will provide the Complainant an acknowledgement of receipt of the Form Petition and will transmit the Form Petition and related documents on behalf of the Complainant to the Office of Counsel, New York State Education Department, State Education Building, Albany, New York 12234 within five days of receipt.

If a stay request is made on the Form Petition and the Commissioner grants a stay order, the Homeless Child may continue attending the school until the Commissioner issues an appeal decision. If the Commissioner denies the stay request, the Homeless Child can be asked by the principal to leave the school immediately.

If the Commissioner sustains the appeal of the Complainant, the Homeless Child can continue attending the school. However, if the Commissioner dismisses the appeal, the Homeless Child can be asked by the principal to leave the school immediately.

Appeal Procedures – Ohio

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Ohio Department of Education. Complaints made under this process must be in writing and signed by the Complainant.

Address the complaint to the following address:

- Homeless Education Coordinator, Ohio Department of Education, 25 S. Front Street, Mail Stop 404, Columbus, Ohio 43215.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The Homeless Education Coordinator will recommend a decision to the Complainant and the Liaison. If unresolved, the Complainant may file a final appeal to the State Superintendent of Public Instruction for review and disposition.

6. EXHIBITS

6.1 AtSchool Homeless Procedures

Homeless Child

- 6.2 Student Residency Questionnaire
- 6.3 Louisiana Residency Questionnaire
- 6.4 New York STAC-202 Form
- 6.5 Complaint Resolution Initiation Form
- 6.6 Colorado Dispute Report Form
- 6.7 New York Form Petition

SCHEDULE 7-6

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

2010-2011 South Canton Scholars Master Schedule Y5-6

Time	Y5	K	1ST	2ND	3RD	4TH	5TH	6TH	Time		
8:00 - 8:15	A.M Arrival	A.M. Arrival	Arrival	Arrival	Arrival	Arrival	Arrival	Arrival	8:00 - 8:15		
8:15 - 8:30	OC	OC	OC	OC	OC	OC	OC	OC	8:15 - 8:30		
8:30 - 8:45	calendar	calendar	Math workshop	Math workshop	Math workshop	Math workshop	Math workshop	Literacy workshop	8:30 - 8:45		
8:45 - 9:00	Math workshop	Math workshop						Literacy workshop	8:45 - 9:00		
9:00 - 9:15			Literacy	Literacy	Literacy	Literacy	Specials		9:00 - 9:15		
9:15 - 9:30	Literacy	Literacy							9:15 - 9:30		
9:30 - 9:45								Literacy	9:30 - 9:45		
9:45 - 10:00						Specials			9:45 - 10:00		
10:00 - 10:15									10:00 - 10:15		
10:15 - 10:30					Literacy workshop				10:15 - 10:30		
10:30 - 10:45					Specials				10:30 - 10:45		
10:45 - 11:00		literacy workshop	Literacy workshop					Math 1	Sci/Hist	10:45 - 11:00	
11:00 - 11:15	Literacy workshop	literacy workshop	Literacy workshop			Lunch	Literacy workshop		Sci/Hist	11:00 - 11:15	
11:15 - 11:30	Literacy workshop	Math	Specials	Literacy workshop	Literacy workshop	Recess	Literacy workshop		Sci/Hist	11:15 - 11:30	
11:30 - 11:45	Math			Literacy workshop	Lunch	Literacy workshop	Lunch		Sci/Hist	11:30 - 11:45	
11:45 - 12:00				Lunch	Recess	Literacy workshop	Recess	Math 2	Sci/Hist	11:45 - 12:00	
12:00 - 12:15			Lunch	Recess	Math 1	Sci/Hist	Math 1	Sci/Hist	Sci/Hist	12:00 - 12:15	
12:15 - 12:30		Lunch	Recess	Math		Sci/Hist		Sci/Hist	Sci/Hist	12:15 - 12:30	
12:30 - 12:45	Lunch	Recess	Math			Sci/Hist		Sci/Hist	Sci/Hist	12:30 - 12:45	
12:45 - 1:00	Recess	Specials				Sci/Hist	Sci/Hist	Sci/Hist	Lunch	12:45 - 1:00	
1:00 - 1:15	Science/Social Studies				Math 2	Sci/Hist	Math 2	Sci/Hist		1:00 - 1:15	
1:15 - 1:30	Science/Social Studies					Sci/Hist		Sci/Hist	Math 3	Sci/Hist	1:15 - 1:30
1:30 - 1:45	Science/Social Studies	Science/Social Studies		Specials		Sci/Hist		Sci/Hist		Sci/Hist	1:30 - 1:45
1:45 - 2:00	Science/Social Studies	Science/Social Studies	Science/Social Studies			Sci/Hist		Sci/Hist		Sci/Hist	1:45 - 2:00
2:00 - 2:15	Recess	Science/Social Studies	Science/Social Studies		Math 3	Sci/Hist	Math 3	Sci/Hist		Sci/Hist	2:00 - 2:15
2:15 - 2:30	Specials	Science/Social Studies	Science/Social Studies	Science/Social Studies		Sci/Hist		Sci/Hist	Specials		2:15 - 2:30
2:30 - 2:45		Recess	Science/Social Studies	Science/Social Studies		Sci/Hist		Sci/Hist			2:30 - 2:45
2:45 - 3:00		Closing/Dismissal	Recess	Science/Social Studies		Sci/Hist		Sci/Hist			2:45 - 3:00
3:00 - 3:15	closing/dismissal	Closing/Dismissal	Closing/Dismissal	Closing/Dismissal	Closing/Dismissal	Closing/Dismissal	Closing/Dismissal	Closing/Dismissal	Closing/Dismissal		3:00 - 3:15

South Canton Scholars Charter Academy

2011-12 School Year

August						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

* July 25-28 NHA-U, Grand Rapids, MI

* 1st - 5th, NTO, Grand Rapids, MI

8th-Sept. 1st Staff Professional Development

September						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

5th Labor Day; 6th First Day of School

October						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

5th Count Day

31st Staff Professional Development

November						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

9th-10th P/T Conferences

11th Records Day

24th-25th Thanksgiving

28th Staff Professional Development

December						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

23rd-Jan. 6th Holiday Break

January						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

16th MLK Jr Day

- Students Do Not Report/ Staff Report All Day
- Students Report Half Day/ Staff Report All Day
- Students/ Staff Do Not Report

Board Approved: 6/8/11

February						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

8th Count Day

17th, 20th Staff Professional Development

March						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

5th Staff Professional Development

7th-8th P/T Conferences

9th Records Day

April						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

6th-13th Spring Break

May						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

28th Memorial Day

June						
S	M	T	W	T	F	S
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

13th Last Day of School

14th Staff Professional Development

July						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Last Update:

176 School Days

8:15-3:15 School Hours

8:15-11:30 (half)

SCHEDULE 7-7

AGE/GRADE RANGE OF PUPILS ENROLLED

Schedule 7-7
Age and Grade Range of Pupils Enrolled

The Academy may enroll age-appropriate students in Kindergarten through Eighth Grade. Students of the Academy will be children who have reached the age of 5 by December 1 of the current school year.

SCHEDULE 7-8

**ADDRESS AND DESCRIPTION OF PROPOSED PHYSICAL PLANT; LEASE
OR DEED FOR PROPOSED SITE; OCCUPANCY CERTIFICATE**

Schedule 7-8
Address and Description of Physical Plant

South Canton Scholars Charter Academy
3085 S. Canton Center Rd, Canton , MI 48188

South Canton Scholars Charter Academy will consist of the construction of a new 2-story wood framed building. The building will be equipped with energy efficient air conditioning and heating system. It will also include energy efficient windows, environmentally conscious hand dryers, and 100% recycled carpeting. The building is approximately 48,000 square feet. It includes a gymnasium, art and music rooms, a full media center and library, as well as 28 classrooms. The building façade is a combination of brick and vinyl siding with an asphalt roof.

LEASE

THIS LEASE is entered into the 6th day of May 2011, to be effective July 1, 2011, by and between NATIONAL HERITAGE ACADEMIES, INC., a Michigan corporation, of 3850 Broadmoor S.E., Ste. 201, Grand Rapids, Michigan 49512 ("**Landlord**"), and SOUTH CANTON SCHOLARS CHARTER ACADEMY, a public school chartered under the laws of the State of Michigan, having an address of 3085 S. Canton Center Rd., Canton, Michigan 48197 ("**Tenant**") (the "**Lease**").

RECITALS

A. Landlord, as tenant, and Charter Development Company, LLC, as landlord entered into a lease of the Premises, defined in Section 1.1, pursuant to a lease effective January 1, 1999 (the "**Master Lease**"), as amended.

B. Tenant desires to sublease the Premises on the terms set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Lease, Landlord and Tenant agree as follows:

ARTICLE 1

Premises.

1.1 Landlord hereby leases to the Tenant, on the terms and conditions hereinafter set forth, the real estate located in Wayne County, with an address of 3085 S. Canton Center Rd, Canton, Michigan, and as described on Exhibit "A" attached hereto, and all improvements located thereon (hereinafter referred to as the "**Premises**"). This Lease is subordinate to the Master Lease. Tenant covenants that it shall not through its negligent, intentional or wrongful acts or omissions cause a breach or default on the part of Landlord under the terms of the Master Lease. Landlord represents and warrants that the terms of this Lease are not inconsistent with the terms of the Master Lease, and Tenant's compliance with the terms of this Lease will not constitute a breach of the terms of the Master Lease. To the extent permitted by law, Landlord and Tenant each hereby indemnify the other party against all liability, judgments, costs, damages, claims, costs and expenses, including, without limitation, reasonable attorneys' fees arising out of or relating to such indemnifying party's breach of the foregoing provision.

1.2 Landlord acknowledges and agrees that in the event of Landlord's default under the terms of the Master Lease which results in the termination of the Master Lease and the assignment or transfer of the Landlord's interest in this Lease to the landlord under the Master Lease (the "**Master Landlord**"), Tenant shall not be in default under this Lease solely by reason of such assignment of this Lease to Master Landlord. Upon notice of assignment of this Lease to Master Landlord, Tenant will recognize Master Landlord as its landlord under this Lease and pay all rent and other charges under this Lease to Master Landlord; provided, Master Landlord will not be liable to Tenant under this Lease for any period prior to the assignment and Tenant shall

not be liable to Master Landlord for any amounts due under the Master Lease prior to such assignment. Landlord releases Tenant from any liability for the payment of rent and other charges under this Lease directly to Master Landlord pursuant to an assignment of this Lease to Master Landlord under the terms of the Master Lease. Notwithstanding the foregoing, Tenant's possession of the Premises under this Lease shall not be disturbed by the Master Landlord unless Tenant breaches any of the provisions of this Lease and Tenant's right to possession is lawfully terminated.

1.3 In accordance with the terms and conditions of that certain "**Management Agreement**" of even or similar date herewith, by and between Landlord and Tenant, Landlord has contractually agreed to manage and operate the Premises and the school located on the Premises, and in connection with the same, Landlord is obligated to fulfill certain obligations assigned to Tenant under the terms of this Lease (the "**Management Obligations**"). In the event that Landlord fails to timely perform or fulfill one or more of the Management Obligations and said failure (a) is not otherwise excused, or subject to notice and an unexpired cure period, by the terms of the Management Agreement, and (b) is not due to the fault of Tenant, then said failure, in and of itself, shall not be deemed to be a default by Tenant under the terms of this Lease. The foregoing sentence shall be of no further force and effect in the event of expiration or termination of the Management Agreement for any reason.

ARTICLE 2

Term.

2.1 The "**Initial Term**" of this Lease shall commence on July 1, 2011 and shall terminate effective June 30, 2012 (the "**Initial Term Expiration**"), unless sooner terminated as hereinafter set forth. Provided that (a) Tenant is not then in Default under this Lease, the Management Agreement, or the "**Charter**" (as defined in Section 13.1.E. below), and (b) this Lease, the Management Agreement and the Charter are still in full force and effect, then, unless a Notice of Non-Renewal is sent as provided below, on the Initial Term Expiration (and each anniversary thereof, during the Term of this Lease), this Lease shall be automatically renewed for successive one (1) year terms, upon the same terms and conditions as contained herein. The "**Term**" of this Lease shall mean the Initial Term and every renewal term entered into by Landlord and Tenant. The term "**Upcoming Expiration Date**" shall mean the Initial Term Expiration, or if the Initial Term Expiration has occurred, then the upcoming anniversary of the Initial Term Expiration. If either party, in its sole discretion, does not wish for this Lease to automatically renew, then at least one hundred eighty (180) days prior to the Upcoming Expiration Date, such party must notify the other party in writing that it does not wish the Term to be renewed (a "**Notice of Non-Renewal**"). Upon the timely delivery of a Notice of Non-Renewal, this Lease shall terminate on the Upcoming Expiration Date, unless extended as provided herein.

ARTICLE 3

Rental.

3.1 The Tenant hereby leases said Premises for the Term above stated and agrees to pay Landlord annual rent of One Million Three Hundred Twenty-Eight Thousand and No/100 Dollars (\$1,328,000), in equal monthly installments of One Hundred Ten Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$110,666.67) each in advance on the first day of each month beginning on July 1, 2011.

3.2 All rent shall be paid to the Landlord at Landlord's address as set forth above, or at such other address as the Landlord may designate in writing.

3.3 This is a net lease and the annual rent and all other sums payable hereunder by Tenant shall be paid without setoff, counterclaim, recoupment, abatement, suspension, or deduction, except as expressly provided for herein.

3.4 This Lease shall not terminate, nor shall Tenant have any right to terminate this Lease during the Term hereof (except as otherwise expressly provided herein), nor shall Tenant be entitled to any abatement, deduction, deferment or reduction of rent hereunder (except as otherwise expressly provided herein), nor shall the obligations of Tenant under this Lease be affected by any interference with the Tenant's use of the Premises unless caused by Landlord or Master Landlord. It is the intention of the parties hereto that the obligations of Tenant hereunder shall be separate and that the rent and all other sums payable by Tenant hereunder shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease.

3.5 **Landlord's right to increase.** In the event Landlord makes capital improvements to the Premises, or acquires additional property for the benefit or use of Tenant (with such capital improvements and property being subject to the written consent of Tenant if and to the extent that the cumulative costs thereof exceed Two-Hundred and Fifty Thousand Dollars (\$250,000) during any Lease year, which consent shall not be unreasonably withheld), then the rent payable by Tenant shall be promptly adjusted to compensate Landlord for its additional economic investment.

ARTICLE 4

Use, Occupancy And Purpose

4.1 Tenant shall use the Premises solely for operating a publicly chartered school or academy for grades kindergarten through 8th grade, and for ancillary or directly related uses. Any other use of the Premises must be approved by the Landlord in advance in writing. Tenant shall not use or allow the use of the Premises for any unlawful purpose, nor shall Tenant allow the

Premises to be used in violation of the Charter, any public ordinance, rule or regulation, or in violation of any certificate of occupancy or certificate of compliance covering or affecting the Premises, or any part thereof. Tenant shall not suffer any act to be done or any condition to exist on the Premises or any part thereof which may in law constitute a nuisance, public or private, or which may make void or voidable, or increase premiums for, any insurance with respect thereto.

4.2 Tenant shall not commit any waste, damage, or injury of or to the Premises or the fixtures or any part thereof and shall take all reasonable precautions and actions to prevent others from committing any of the foregoing.

4.3 A. For purposes of this Section 4.3, the term "**Reserved Periods**" means:

(i) the period beginning on the day following the last day of school for the current school year and ending at 11:59 P.M. on the day preceding the first day of school for the subsequent school year; and

(ii) the periods in which school is not in session in the spring semester of each school year; and

(iii) the periods in which school is not in session over Christmas and New Year holidays.

(v) the periods before and after the regular school day excluding events that Tenant may hold for student or parent activities.

B. Landlord reserves the use of the Premises during the Reserved Periods except to the extent Tenant is required to use the Premises pursuant to applicable law or if Tenant has obtained the prior written consent of Landlord for the use of the Premises by Tenant during the Reserved Periods. Any use of the Premises by Tenant during the Reserved Periods shall be subject to all the terms and conditions of this Lease.

C. Reserved Periods may be used by Landlord for any lawful purpose including performing maintenance, repairs, restoration and construction or for any and all programs ancillary to supporting the Educational Program (as defined in the Management Agreement) or as needed otherwise to support Landlord's performance under the Management Agreement.

D. Notwithstanding any terms of Section 4.3(B) hereof to the contrary, with Landlord's prior written consent (not to be unreasonably withheld or delayed) during Reserved Periods, in connection with extra-curricular activities or programs or community/parent meetings, Tenant may use the gymnasium and/or other areas of the school (including the playground adjacent thereto) except for areas designated as offices, classrooms, or libraries, or other areas used for academic or educational instruction.

Prohibited Uses. Tenant covenants unto Landlord that during the Term, no part of the Premises shall be used for: the operation of any (i) private or commercial golf course, (ii) country club, (iii) massage parlor, hot tub facility, or suntan facility (iv) race track or other facility used for gambling, or (v) store the principal business of which is the sale of alcoholic beverages for consumption off premises; or the rental to others of residential property (as defined in Section 168(e)(2)(A) of the Internal Revenue Code). Notwithstanding anything contained in this Lease to the contrary, in the event of a breach of any of the covenants contained in this Section 4.4, Landlord may immediately terminate this Lease by written notice to Tenant.

ARTICLE 5

Utilities/Services

5.1 Charges for utilities, including without limitation gas, electricity, light, heat, water, sewage and telephone or other communication services, shall be paid by Tenant.

5.2 Tenant shall have the right to use the utility services which are presently existing on the Premises. Landlord shall not be required to furnish any service to the Premises, including but not limited to heat, water and electricity. The Landlord shall not be liable for any failure of water supply or electric current or any service by any utility, for injury to persons, including death, or damage to property resulting from steam, gas, electricity, water, rain or snow which may flow or leak from any part of the Premises or from any pipes, appliances or plumbing works from the street or subsurface or from any other place, or for interference with light or other easements, however caused, except if due to the affirmative negligence of the Landlord.

5.3 If the existing services are required to be modified or replaced for any reason by any utility company or authorized agency, governmental or otherwise, then Tenant shall comply with the same at its own cost and shall save Landlord harmless therefrom.

5.4 Except as otherwise expressly provided in this Lease, Landlord shall have no obligation to provide any services to Tenant with respect to the Premises.

ARTICLE 6

Taxes

6.1 The Tenant agrees to pay prior to the penalty date all taxes and special assessments and other similar charges (except income and other taxes assessed against or by reason of Landlord's reversionary interest in or income from the Premises) which shall be levied on or assessed against the Premises during the Lease Term, and to save the Landlord harmless from the payment thereof. Taxes for the first and last year of the Lease Term or any extension or renewal thereof shall be prorated on the basis of the fiscal period for which such tax is assessed. Notwithstanding the foregoing, Tenant shall be liable for and pay, or reimburse Landlord the full amount of real estate taxes and assessments billed by the state, county and/or city during the

Lease Term. Tenant may in good faith and at its own expense contest the imposition and collection of any tax or assessment, in the Landlord's name, if necessary, and during the period of such contest Tenant shall not be deemed to be in default hereunder for failure to pay such contested amount.

6.2 If at any time after any tax, assessment or similar charge so charged or assessed against said Premises shall become due or payable and Tenant shall neglect or fail to pay the same, Landlord may pay the same at any time thereafter, and the amount of any and all such payments so made by Landlord shall be and is hereby declared to be so much additional and further rent for Premises due from and payable by Tenant, with the next installment of rent due thereunder.

6.3 At the termination of this Lease by lapse of time or otherwise, all taxes due and payable by Tenant under the provisions of this Article 6 shall be paid by Tenant including any unpaid installments of special assessments levied during the Term of this Lease.

6.4 Upon demand of Landlord, Tenant shall pay in addition to each monthly payment of rent to be paid hereunder, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable Landlord to pay at least thirty (30) days before they become due, all such taxes, assessments and other charges. Such additional payments may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. Notwithstanding the foregoing, Landlord shall pay the full amount of taxes, assessments and other charges when due. Upon demand by Landlord, Tenant will deliver and pay over to Landlord such additional sums as are necessary to make up any deficiency in the amount necessary to enable Landlord to fully pay such taxes, assessments and other charges.

6.5 In the event that the City, County, State, or any other political subdivision within which the premises are located shall, prior to or during the Term of this Lease, impose upon the Landlord any tax or other governmental charge ("**Non-Real Property Tax**") in lieu of all or any part of the taxes which, prior to such imposition, were assessed or levied against the building and/or the land upon which the building is located ("**Real Property Tax**"), such Non-Real Property Tax shall, for purposes of this paragraph, be treated as if it were a Real Property Tax.

6.6 Upon demand of Landlord within ninety (90) days after the date any tax, charge, assessment or imposition referred to in this Article 6 is payable by Tenant, Tenant shall provide to Landlord official receipts of the appropriate taxing authority or other proof satisfactory to Landlord of the payment of such tax, charge, assessment, or imposition.

ARTICLE 7

Fire Insurance And Destruction Of Building

7.1 Tenant will cause to be maintained policies of fire and extended coverage insurance on all buildings, structures, fixtures and improvements now or hereafter situated on the

Premises and all other property leased hereunder in their full replacement cost. Such policies shall have no greater than eighty (80%) percent co-insurance provision and shall contain the standard "agreed amount" clause for evaluating replacement cost. Such policies shall name Tenant, Landlord, other parties designated by Landlord and the first mortgagee as their interests may appear as insureds and such insurance shall be carried by an insurance company or companies approved by Landlord and the first mortgagee. Duplicate original copies of said policies shall be delivered to Landlord and the first mortgagee. Notwithstanding the aforesaid, in no event shall the manner, forms, companies, sums or length of terms be less than that required by the first mortgagee according to the terms and provisions of said first mortgage.

7.2 Each such policy shall include: (i) a standard mortgage clause in favor of the first mortgagee; (ii) a provision to the effect that the waiver of subrogation rights by the insured does not void the coverage; (iii) a provision that the policy shall not be changed or canceled without at least thirty (30) days' prior written notice to the Landlord and the first mortgagee; and (iv) a provision that any forfeiture of the policy due to an act of the Tenant shall not affect the validity insofar as the Landlord or the first mortgagee are concerned.

7.3 From time to time as required by Landlord or the first mortgagee, Tenant at its expense, shall obtain from an engineer or appraiser, in the regular employ of the insurer, or an appraiser, engineer, architect or contractor designated by Tenant and approved by Landlord and the insurer, such evidence as may be required by such insurer to maintain the "agreed amount" clause eliminating the possibility of any co-insurance penalty.

7.4 If Tenant shall refuse or fail to so insure and keep insured said buildings, structures and improvements and all other property leased hereunder and to keep such policies in Landlord's and first mortgagee's possession, Landlord may at its election procure and from time to time renew such insurance, and the amounts expended therefore shall be additional rent due from Tenant with the next installment of rent accruing hereunder and may be collected in the same manner as though rent due hereunder.

7.5 Upon demand of Landlord, Tenant shall pay in advance, in addition to each monthly payment of rent to be paid hereunder, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable Landlord to pay at least thirty (30) days before they become due all insurance premiums on all policies of insurance required hereunder. Such additional payments may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. Upon demand by Landlord, Tenant will deliver and pay over to Landlord such additional sums as are necessary to make any deficiency in the amount necessary to enable Landlord to fully pay such premiums.

7.5 Landlord shall have no liability for damage to or loss of personal property located upon the Premises, unless and to the extent caused by Landlord.

ARTICLE 8

Restoration

8.1 In case of any damage to or destruction of the Premises or any part thereof, or to any other property hereunder, Tenant shall give immediate written notice thereof to Landlord and the first mortgagee. Landlord, at its sole option, may by written notice to Tenant given not less than one hundred twenty (120) days prior to the date of termination, terminate this Lease if: (i) the cost to repair or replace such damage or destruction exceeds One-Hundred Thousand Dollars (\$100,000) or will take one hundred twenty (120) days or more to repair, or (ii) the damage or destruction occurs in the last six (6) weeks of the then current Term of this Lease, or (iii) the time to repair or replace such damage or destruction will take longer than the remaining balance of the Term of this Lease. Notwithstanding the foregoing criteria of (i), (ii) or (iii) of this Section 8.1, Landlord shall restore the Premises in accordance with the terms of this Section 8.1 if Landlord as Tenant under the Master Lease is required or otherwise elects to restore the Premises pursuant to the terms of the Master Lease. If Landlord does not terminate this Lease as provided in this Section 8.1, then Landlord shall (or at Landlord's option, Tenant shall) at Tenant's expense, repair, restore, or rebuild the Premises or the part thereof so damaged, as nearly as possible to the value, condition and character the same was in immediately prior to such damage or destruction, (such repair, restoration, rebuilding, together with any temporary repairs and property protecting pending completion of the work being herein called "**Restoration**") all in accordance with plans and specifications first approved by Landlord, unless Landlord shall have waived its right of approval in writing; subject, to all municipal, state and federal laws, codes, rules, regulations, ordinances and approvals pertaining to the construction, Restoration, use and operation of schools (provided Tenant will use reasonable efforts to comply with such laws, ordinances, codes, rules, regulations and to obtain such approvals). Tenant's obligation to repair, restore or replace the damage shall be limited to the amount of insurance proceeds available to Tenant. If Restoration costs exceed the available insurance proceeds, the excess costs may be paid by Landlord, at its sole option, in which event the excess costs paid by Landlord shall, at Landlord's option, be factored into the rent provided for in Section 3.1 of this Lease.

8.2 Rent insurance proceeds, if payable, shall be applied to the payment of, when and as due and payable, the installments of rent and other payments due under this Lease until Restoration has been completed or the Lease terminated if Landlord elects to terminate as provided in Section 8.1. The balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

8.3 If by reason of any damage or destruction mentioned in Section 8.1, any sums are to be paid under any insurance policy mentioned in Article 7 hereof, then after receiving the first mortgagee's prior written approval, and provided Landlord has not elected to terminate pursuant to Section 8.1 and there is no default by Tenant hereunder at such time, such sum shall be paid over to the Master Landlord under the Master Lease or the first mortgagee or to the Landlord as a depository (the "**Depository**"), which shall hold the same as a trust fund to be used for the

payment of the cost of Restoration except as hereinafter provided; if there shall then be a default by Tenant hereunder the first mortgagee may, at its option, apply such sums to the payment of the debt secured by the first mortgage. Upon receipt by the Depository, at its option, of:

8.3.1 A certificate of Tenant dated not more than thirty (30) days prior to the date of such receipt (a) requesting the payment of a specified amount of such money; (b) describing in reasonable detail the work and materials applied to the Restoration since the date of the last certificate of Tenant; (c) stating that such specified amount does not exceed the cost of such work and material; (d) stating that such work and materials have not previously been made the basis of any request for or any withdrawal of money, and

8.3.2 A certificate of an independent engineer or independent architect designated by Tenant, who shall be approved by Landlord (which approval shall not be unreasonably withheld) stating (a) that the work and materials described in the accompanying certificate of Tenant were satisfactorily performed and furnished and were necessary, appropriate and desirable to the Restoration in accordance with the plans and specifications therefor approved by Landlord, unless Landlord shall have waived its right of approval in writing; (b) that the amount specified in such certificate of Tenant is not in excess of the cost of such work and materials; (c) the additional amount, if any, required to complete the Restoration, and

8.3.3 Evidence satisfactory to the first mortgagee, if any, and Landlord, from time to time that the cost of the work and materials required to complete the Restoration can be paid from the insurance proceeds held by the Depository, provided that if such cost cannot so be paid, before any disbursement or any further disbursement there shall be deposited with Depository a sum which together with the insurance proceeds will be sufficient to pay for the cost of Restoration, and

8.3.4 Either (a) a written opinion of counsel satisfactory to Landlord and first mortgagee, or (b) the certification of a title company satisfactory to Landlord and first mortgagee, in either case that as of a date not more than two (2) days prior to the date of payment described below there exists no filed or recorded lien, encumbrance or charge prior to or on parity with the estate, rights and interest of Landlord (except for the first mortgage and permitted exceptions); that the Premises are not subject to any filed or recorded construction or other similar lien, encumbrance or charge, and that the fixtures and equipment are not subject to any title retention agreement, security agreement, lien or other encumbrance except those permitted herein, and

8.3.5 The Master Landlord under the Master Lease and the first mortgagee's prior written consent to make the payments in the manner and sums as provided for herein.

Upon delivery of the materials described in Sections 8.3.1 through 8.3.5 above, the Depository shall pay either to Tenant or through a disbursing agent or title company to the contractors performing such Restoration, ninety (90%) percent of the amount of such insurance monies specified in such certificate of Tenant, provided that the balance of funds then held by the Depository must be sufficient for the completion of the Restoration according to the certificate required by Paragraph 8.3.2.

8.4 The ten (10%) percent retainage will not be disbursed until the Restoration has been completed as certified by the architect and all appropriate governmental authorities. Any balance of insurance proceeds after the completion of Restoration, as evidenced by a certificate of such independent engineer or independent architect shall be paid to Landlord to the extent necessary to cure any existing Default, with the balance to Tenant. Concurrently with Tenant's delivery of each of the foregoing certificates and legal opinions, Tenant shall deliver duplicate copies thereof to Landlord if Landlord is not the Depository. Upon written request from Landlord, the Depository shall notify Landlord of each such amount so paid to Tenant and the date of each such payment.

8.5 Except as otherwise expressly provided herein, no destruction of or damage to the Premises or any part thereof, whether such damage or destruction be partial or total or otherwise, shall entitle or permit Tenant to surrender or terminate this Lease nor relieve Tenant from its obligation to pay in full the rent and other sums and charges payable by Tenant hereunder or from any of its other obligations under this Lease. Tenant waives any rights now or hereafter conferred upon it by statute or otherwise to surrender this Lease or quit or surrender the Premises or any part thereof or to receive any suspension, diminution, abatement or reduction of the rent or other sums and charges payable by Tenant hereunder on account of any such destruction or damage except that to the extent to which the Landlord shall have received and retained a sum as proceeds of any rent insurance pursuant to paragraph 8.2 hereof, Tenant shall be entitled to a credit therefor against its obligations under this Lease to pay the rent and such other sums and charges.

ARTICLE 9

Care of Premises

9.1 Tenant will keep the Premises and all other property leased hereunder in good condition and repair, and will yield and deliver the same to Landlord at the expiration or termination of the Lease in as good a condition as when taken, reasonable use and wear thereof, and damages thereto by Landlord or its agents or invitees, excepted. Tenant shall also maintain all portions of the Premises and adjoining areas in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions, except for those attributable to Landlord's use or action. Tenant may not make any repairs, alterations, additions, changes or improvements to the Premises without the written consent of Landlord. All repairs, alterations, changes or improvements shall be completed and maintained by Tenant in good workmanlike condition, free and clear of all liens and encumbrances arising out of such work.

9.2 Landlord shall have the right to enter upon the Premises for the purpose of making any repairs thereto and performing any work thereon which may be necessary by reason of Tenant's failure to make any such repairs or perform any such maintenance work as provided herein. Except in case of emergency, the privilege and right of entry shall be exercised at reasonable times and at reasonable hours. Tenant shall pay the cost of any such repairs and maintenance work to Landlord, upon demand therefor and upon submission of satisfactory

evidence of Landlord's payment of such costs which sums shall constitute additional rent hereunder.

ARTICLE 10

Liability

10.1 To the extent permitted by law, Tenant agrees to save Landlord and the first mortgagee harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from any injury or death to any person or damage to any property in, on, or about the Premises which arise out of (i) gross negligence or willful misconduct of Tenant, or (ii) any noncompliance or breach by Tenant of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Lease. Tenant agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of Landlord, Tenant and the first mortgagee as their interests may appear, in amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to Landlord at least annually. In the event Tenant defaults as to any such obligations, Landlord may obtain such insurance and charge the cost thereof to Tenant as additional rent, payable with the monthly installment next coming due.

10.2 Landlord agrees to save Tenant harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from any injury or death to any person or damage to any property in, on, or about the Premises to the extent caused by willful misconduct or negligence by Landlord. Landlord agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of Landlord and Tenant as their interests may appear, in amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to Tenant; Landlord agrees to furnish to Tenant upon request certificates of insurance evidencing such insurance.

10.3 Each party hereto, for itself and its respective successors and assigns (including any person, firm or corporation which may become subrogated to any of its rights), waives any and all rights and claims for recovery against the other party, and its officers, employees, agents, and assigns, or any of them, on account of any loss or damage to any of its property insured under any valid and collectible insurance policy or policies, to the extent of any recovery collectible under such insurance. Notwithstanding the foregoing, this waiver shall not be applicable if it has the effect of invalidating any insurance coverage of Landlord or Tenant.

ARTICLE 11

Compliance With Statutes

11.1 Tenant and Landlord agree that they will comply with all applicable statutes, police, sanitary, building, and fire rules, regulations, and instructions, and municipal ordinances,

relating to or affecting the use of the Premises; and agree to reimburse either party for any damages or penalties suffered because of the other party's noncompliance with any such rules, regulations, instructions, ordinances, or statutes.

11.2 Tenant agrees that it will comply with and keep the Premises in compliance with the Fair Housing Amendments Act of 1988, the Americans with Disabilities Act of 1990, and any other applicable Federal, State or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct relating to barrier-free access or access of the handicapped or disabled to the Premises (collectively, "Access Laws"). The Tenant hereby indemnifies the Landlord and agrees to hold the Landlord harmless from and against all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Landlord for violations or alleged violations of the Access Laws relating to the Premises, unless caused by Landlord or its agents or invitees. Landlord certifies that prior to leasing the Premises to Tenant, the Premises is and shall be compliant with all Access Laws.

ARTICLE 12

Assignment And Subletting

12.1 Tenant shall not assign, transfer or sublet the Premises or any part thereof or any interest hereunder without first obtaining the written consent of Landlord, which may be withheld by Landlord for any reason. Landlord may, in its sole discretion, assign, transfer, pledge and convey its rights, title and interests in the Premises and/or this Lease, without the consent of or notice to Tenant; provided, however, the terms and conditions of this Lease as set forth herein as of the execution date of this Lease shall have not been modified or amended and shall be subject to Section 23.2 hereof.

ARTICLE 13

Default

13.1 Tenant shall be in default upon occurrence of any of the following events (any of the following, a "Default"):

A. Failure by Tenant in the payment of any rent or other charge provided for herein on the day it becomes due and payable, following prior written notice from Landlord to Tenant for an opportunity to cure within ten (10) days of receipt of notice.

B. Failure by Tenant or suffered by Tenant of any of the other covenants or conditions of this Lease required to be kept or performed by Tenant (other than payment of rent or other charges required by the terms of the Lease), following prior written notice from Landlord to Tenant for an opportunity to cure within ten (10) days of receipt of notice.

C. Tenant's becoming insolvent, as that term is defined by any federal or state law or regulation (the "Insolvency Laws"); the appointment of a receiver or custodian for all or a substantial portion of Tenant's property or assets; the institution of a foreclosure action upon all or a substantial portion of Tenant's real or personal property; the filing of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; the filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is either not dismissed within sixty (60) days of filing, or results in the issuance of an order for relief against the debtor, whichever is later; or Tenant's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors, or if Tenant's leasehold interest herein shall be levied on execution.

D. Termination of the Management Agreement due to default made or suffered by Tenant in any of the covenants, terms or conditions of the Management Agreement required to be kept or performed by Tenant.

E. Expiration or discontinuance for any reason of the Charter granted to Tenant by its authorizer (the "Charter"), other than an expiration or discontinuance which results in a new Charter effective as of termination of the existing Charter and with terms which would not, in Landlord's opinion, substantially alter Tenant's ability to comply with the terms of the Lease, Management Agreement, or Charter.

13.2 In the event of default, Landlord may in addition to any other remedy, re-enter into and repossess the Premises and all other property leased hereunder and remove the Tenant and every other occupant, and may relet the Premises or any part thereof for any term, either shorter, longer, or the same, at a higher, lower, or the same rental, making such alterations as may be necessary, without working a termination of this Lease, provided, however, that Landlord at its option may in any of such events, terminate this Lease effective on the date specified in written notice from Landlord to Tenant.

13.3 If the Landlord shall, on any such default by the Tenant, obtain possession of the Premises by re-entry, summary proceedings, or otherwise, the Tenant shall pay to Landlord all expenses incurred in obtaining possession of the Premises, all expenses and commissions which may be paid in and about the letting of the same, and all other damages resulting from Tenant's default.

13.4 No termination of this Lease pursuant to this section or repossession of the Premises or any part thereof or of any other property leased hereunder shall relieve Tenant of its liabilities and obligations under this Lease that accrue during the Term, all of which shall survive any such termination or repossession and, if the Premises or any part thereof shall not have been relet, Tenant shall pay to Landlord as and for liquidated and agreed current damages the then present value of the rent and other sums and charges to be paid by Tenant until what would have been the end of the Term in the absence of such termination or repossession. Landlord shall make a good faith effort to relet the Premises and alleviate Tenant of additional damages. If the Premises shall have been relet, Tenant shall pay the Landlord, as and for liquidated and agreed current damages for Tenant's default, the present value of the equivalent of the amount of the

rent and such other sums and other charges as would be payable under this Lease by Tenant if this Lease were still in effect, less the present value of the net proceeds, if any, of the reletting effected pursuant to the provisions hereof, after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, reasonable attorneys' fees, alteration costs and expenses of preparation of such reletting. Exercise of any remedy hereunder by Landlord shall not exclude the right to exercise any other remedy hereunder. Notwithstanding any of the foregoing obligations of Tenant stated herein to the contrary, upon termination of this Lease or Tenant's dispossession of the Premises, Tenant will automatically be relieved from and after the date of such termination or dispossession of all personal liability for the performance of any covenants or obligations on the part of Tenant contained in this Lease thereafter to be performed except for those liabilities expressly stated to have survived such termination or dispossession as stated herein.

ARTICLE 14

Waiver of Breach

14.1 No waiver by either party hereto of any breach of any of the terms of this Lease shall be deemed to be a waiver of any other or subsequent breach.

ARTICLE 15

Surrender

15.1 Upon the termination of this Lease, Tenant shall quit and surrender the Premises and all property leased hereunder, broom clean, to Landlord without delay and in good order, condition and repair, ordinary wear and tear excepted, free and clear of all lettings and occupancies, (except those previously approved by Landlord), and free and clear of all liens and encumbrances, except that part of the Premises which have been taken through eminent domain, if any, after the delivery hereof, without any payment therefore by Landlord. Any personal property owned by Tenant or other occupant of the property (except that of subtenants previously approved by Landlord), which shall remain on the Premises after the termination of this Lease, and the removal of Tenant or such other occupant from the Premises, may at the option of Landlord, be deemed to have been abandoned and may be disposed of without accountability, as Landlord may see fit, without prejudice to the rights of any such other occupant as against the Tenant.

ARTICLE 16

Eminent Domain

16.1 If all or any part of the Premises shall be taken by any governmental authority under power of eminent domain, or by private purchase in lieu thereof, all damages awarded for such taking shall belong to and be the property of the Landlord, whether such damages shall be

awarded as compensation for the taking of or diminution in value to the leasehold or the fee of the Premises and Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant may become entitled as a result thereof, provided, however, that Tenant shall be entitled to receive from such governmental authority compensation for its fixtures and personal property so taken.

16.2 In the event that only a part of the Premises are so taken, and the part not so taken cannot be completed as an architectural unit for the use described in paragraph 4.1 hereof, Tenant shall have the option to terminate this Lease by serving written notice of termination on the Landlord within sixty (60) days after the taking.

16.3 If only a part of the Premises shall be so taken such that the part not so taken can be completed as an architectural unit for the use described in paragraph 4.1 hereof, Landlord (or at Landlord's direction, Tenant) shall, as promptly as practicable, make a complete architectural unit of the remainder of the building on the Premises (all pursuant to the extent of the proceeds received for such taking); and there shall be an abatement of the monthly rent hereinabove provided for in an amount equal to the percentage of the Premises and the building so taken.

ARTICLE 17

Notices

17.1 All notices and communications required under this Lease shall be in writing and served personally or by nationally recognized overnight courier on Landlord and on Tenant at the address indicated on page one (1) hereof, or at such other address as may be designated in writing to the other party hereto by notice in accordance with this paragraph.

ARTICLE 18

Curing Of Tenant's Defaults

18.1 If Tenant shall at any time fail to make any payment or perform any act on its part to be made or performed hereunder, then Landlord without notice to Tenant, except when other notice is expressly provided for in this Lease and without waiving or releasing Tenant from the obligations of Tenant contained in this Lease, may (but shall be under no obligation to) make such payment or perform such act, and may enter upon the Premises for any such purpose, and take all such actions thereon as may be necessary therefore.

18.2 All sums to be paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any such act referenced in Section 18.1, together with any consequential damages Landlord may suffer by reason of the failure of Tenant to make such payment or perform such act, and counsel fees incurred by Landlord in connection therewith or in

enforcing its rights hereunder, shall be paid by Tenant to Landlord on demand as additional rent hereunder.

18.3 Tenant agrees to hold Landlord harmless from any inconvenience or interference with Tenant's operation of its business as a result of Landlord's exercising any rights granted under Section 18.1.

ARTICLE 19

Construction Liens

19.1 Tenant will not create nor permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Premises or any part thereof, or upon Tenant's leasehold interest therein, except such as are created by Landlord or the first mortgagee.

ARTICLE 20

Environmental Matters

20.1 Tenant shall not use or store any Hazardous Materials (as defined in Paragraph 20.3) on the Premises, except in compliance with all applicable federal, state and local laws and ordinances.

20.2 To the extent directly related to the conduct of Tenant, Tenant's use of the Premises, or the operation of its business thereon and to the extent permitted by law, Tenant shall defend, indemnify and hold harmless Landlord, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (1) the presence, disposal or release of any Hazardous Materials by Tenant on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons by reason of Tenant's action or animals on the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials existing on the Premises by reason of Tenant's action; (3) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials existing on the Premises by reason of Tenant's action; and/or (4) any violation of laws, orders, regulations, requirements or demands of government authorities which are based upon or in any way related to such Hazardous Materials existing on the Premises by reason of Tenant's action including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses. As used herein, "**Hazardous Materials**" means and includes petroleum, petroleum products, asbestos, asbestos-containing materials, radioactive materials, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), and any other water, material or substance that is defined as hazardous or toxic under or regulated by any federal, state or local agent, law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) pertaining to environmental conditions, the environment, contamination or clean-up,

including, without limitation, federal, state or local solid waste disposal rules, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Toxic Substances Control Act, as amended, the Water Pollution Control Act, as amended, the Clean Air Act, as amended, or any other applicable federal, state or local laws, regulations, publications of Governmental Authorities, or ordinances pertaining to Hazardous Materials.

20.3 Tenant shall promptly notify Landlord as soon as it knows of or suspects that any Hazardous Materials has been released or that there is a threatened release on the Premises and it shall take such action at its sole expense and with due diligence, as is necessary to insure timely compliance with all legislative requirements unless caused by Landlord. Landlord shall promptly notify Tenant as soon as it knows or suspects any Hazardous Materials has been released or that there is a threatened release on or in the Premises and Landlord shall take such action at its sole expense and with due diligence, as is necessary to ensure timely compliance with all legislative requirements unless caused by the Tenant.

20.4 The provisions of this Article 20 shall be in addition to any and all obligations and liabilities of Tenant and Landlord may have to each other at common law, and shall survive the expiration and termination of the Lease for any reason.

ARTICLE 21

Late Charges

21.1 In the event of any failure by Tenant to pay the rent or any additional rent or charge payable upon the date due hereunder, Tenant shall also pay to Landlord, on demand, a late charge of five percent (5%) of such delinquent payment.

ARTICLE 22

First Mortgage And First Mortgagee

22.1 The term "**first mortgage**" as used herein shall mean any first mortgage hereafter becoming a first and paramount lien on the Premises, subject to easements, and restrictions of record, and all assignments, modifications, extensions and renewals thereof.

22.2 The term "**first mortgagee**" or "**holder of the first mortgage**" shall mean the holder at the particular time of the first mortgage as defined herein.

ARTICLE 23

Subordination; Estoppel Certificates

23.1 Tenant agrees that Landlord may choose to make this Lease subordinate or paramount to any mortgages, trust deeds and ground or underlying leases now or hereafter affecting the Premises and to any and all advances to be made thereunder or to be secured thereby, and to the interest and charges thereon, and all renewals, replacements and extensions thereof, provided the mortgagee, Landlord or trustee named in any such mortgages, trust deeds or leases agrees to recognize the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant will execute promptly any instrument or certificate that Landlord may request to confirm such subordination, and hereby irrevocably appoints Landlord as Tenant's attorney-in-fact to execute such instrument or certificate on its behalf. Notwithstanding the foregoing, Tenant's possession of the Premises under this Lease shall not be disturbed by the mortgagee or other party unless Tenant breaches any of the provisions of this Lease and Tenant's right to possession is lawfully terminated.

23.2 Tenant, within ten (10) days after request by Landlord, will execute and deliver to Landlord an estoppel certificate proposed by Landlord identifying the commencement date and expiration date of this Lease and state that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications, and stating that Tenant does not claim that Landlord is in default in any way, or listing any such claimed defaults. The certificate also will confirm the amount of monthly installments of rent payable hereunder and additional rent, if any, as of the date of the certificate, the date to which the rent has been paid in advance, and the amount of any security deposit or pre-paid rent. If Tenant fails to deliver the executed certificate to Landlord within the ten (10) day period, the occurrence of the proposed certificate will be deemed conclusively confirmed.

23.3 Upon the receipt of a notice from the Landlord, the Tenant agrees to pay all such sums owing under this Lease directly to the account or party specified in such notice.

ARTICLE 24

Quiet Enjoyment

24.1 All times when Tenant is not in Default, Tenant's quiet and peaceable enjoyment of the Premises will not be disturbed or interfered with by Landlord or any person claiming by, through or under Landlord.

ARTICLE 25

Holding Over

25.1 If Tenant remains in possession of the Premises after the expiration of this Lease, Tenant will be deemed to be occupying the Premises as a Tenant at will, subject to all the provisions of this Lease to the extent that they can be applicable to a tenancy at will, except that the minimum rent for each month or fraction thereof that Tenant remains in possession will be double the regular monthly installments of rent otherwise payable hereunder.

ARTICLE 26

Remedies Not Exclusive; Waiver

26.1 Each and every of the rights, remedies and benefits provided by this Lease are cumulative, and are not exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

26.2 One or more waivers of any covenant or condition by Landlord will not be construed as a waiver of a further or subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval will not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

ARTICLE 27

Right To Show Premises

27.1 Landlord may show the Premises and may display about the Premises signs advertising the availability of the Premises at any time during the Term of this Lease.

ARTICLE 28

Definition Of Landlord; Landlord's Liability

28.1 The term "Landlord" as used in this Lease, so far as covenants, agreements, stipulations or obligations on the part of the Landlord are concerned, is limited to mean and include the tenant under the Master Lease to the Premises or its assignee, at the time in question, and in the event of any transfer or transfers of the title to such fee the Landlord herein named (and, in case of any subsequent transfers or conveyances, the then grantor) will automatically be relieved from and after the date of such transfer or conveyance of all personal liability for the performance of any covenants or obligations on the part of the Landlord contained in this Lease thereafter to be performed.

28.2 If Landlord fails to perform any provision of this Lease upon Landlord's part to be performed, and if as a consequence of such default Tenant recovers a money judgment against Landlord, such judgment may be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Premises and out of rents or other income from such property receivable by Landlord, and Landlord shall not be personally liable for any deficiency.

ARTICLE 29

Brokers

29.1 Landlord and Tenant each represent and warrant to the other that neither of them has contacted a broker, finder or similar person in connection with this Lease, and each party shall defend, indemnify and hold the other harmless from and against all liability, cost and expense, including reasonable attorneys' fees, incurred as a consequence of any claim asserted by a person alleging to have dealt with one of the parties hereto in connection with this Lease.

ARTICLE 30

General

30.1 References in this Lease to persons, entities and items have been generalized for ease of reading. Therefore, references to a single person, entity or item will also mean more than one person, entity or thing whenever such usage is appropriate (for example, "Tenant" may include, if appropriate, a group of persons acting as a single entity, or as Tenants-in-common). Similarly, pronouns of any gender should be considered inter-changeable with pronouns of other genders.

30.2 All agreements and obligations of Tenant and Landlord under this Lease are joint and several in nature. Any waiver or waivers by either party of any of the provisions of this Lease will not constitute a waiver of any later breach of that provision, and any consent or approval given by either such party with respect to any act, neglect or default by the other party will not waive or make unnecessary the other party's consent or approval with respect to any later similar act, neglect or default by such other party.

30.3 In the event any provision contained herein shall be held to be invalid or unlawful for any reason, such provision shall be deemed to be stricken from this Lease, with the understanding that the remaining provisions hereof shall continue to be binding on the parties.

30.4 Topical headings appearing in this Lease are for convenience only. They do not define, limit or construe the contents of any paragraphs or clauses.

30.5 This Lease can be modified or amended only by a written agreement signed by Landlord and Tenant.

30.6 All provisions of this Lease are and will be binding on the heirs, executors, administrators, personal representatives, successors and assigns of Landlord and Tenant.

30.7 The laws of the State of Michigan will control in the construction and enforcement of this Lease.

30.8 Time is of the essence in all respects under this Lease.

30.8 Tenant's obligations, and right to possession, under the terms of this Lease are contingent upon execution of a charter contract between the Tenant and its authorizer, and execution of the Management Agreement in a form acceptable to NHA.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

National Heritage Academies, Inc.
a Michigan corporation

By: Paul Witte
Paul Witte
Its: Sr. Director of Legal
and Compliance

TENANT:

South Canton Scholars Charter Academy
a public school academy

By: Keith Ledbetter
Keith Ledbetter
Its: Board President

EXHIBIT A
LEGAL DESCRIPTION
CHARTER DEVELOPMENT COMPANY
CANTON TOWNSHIP, WAYNE COUNTY, MICHIGAN

A part of the Southwest $\frac{1}{4}$ of Section 27, Town 2 South, Range 8 East, Canton Township, Wyane County, Michigan, more particularly described as: Commencing at the West $\frac{1}{4}$ corner of said Section 27; for point of beginning; thence South $89^{\circ}52'09''$ East 776.34 feet along the East and West $\frac{1}{4}$ line of said Section 27; thence South $00^{\circ}56'38''$ East 328.81 feet; thence South $89^{\circ}57'06''$ East 541.49 feet; thence South $00^{\circ}19'21''$ East 327.77 feet; thence South $89^{\circ}57'24''$ West 1322.20 feet to the West line of said Section 27 and the centerline of said Canton Center Road, (said point being North $00^{\circ}15'06''$ West 1984.41 feet from the Southwest corner of said Section 27); thence North $00^{\circ}15'06''$ West 659.76 feet along the West line of said Section 27 and the centerline of said Canton Center Road, to the point of beginning.

Property Address:	2915, 3015 and 3111 Canton Center Road, Canton, MI
Permanent Parcel No.:	71-107-99-0003-002; 71-107-99-0003-001; 71-107-99-0002-001; 71-107-99-0001-001

NOTES

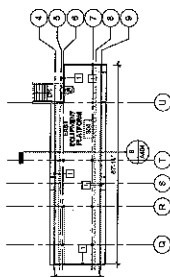
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FLOOD PLAN SYMBOL LEGEND

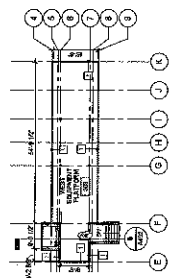
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KEY NOTES

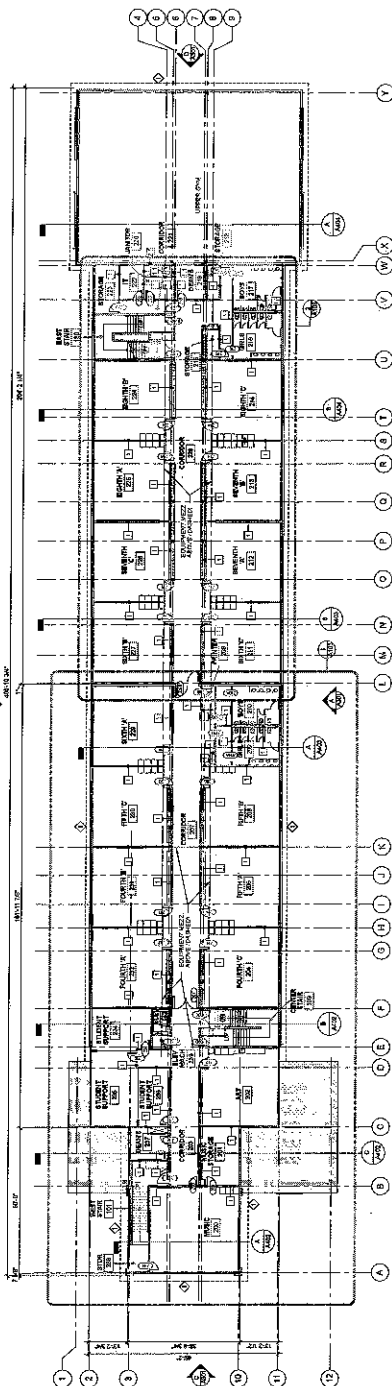
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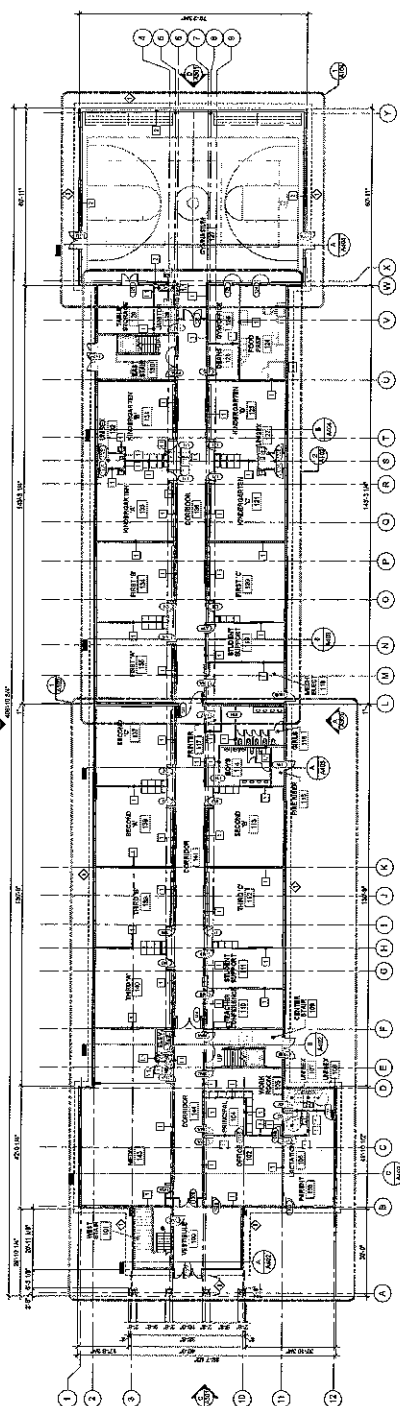
EAST EQUIPMENT PLATFORM PLAN
SCALE: 1/4" = 1'-0"



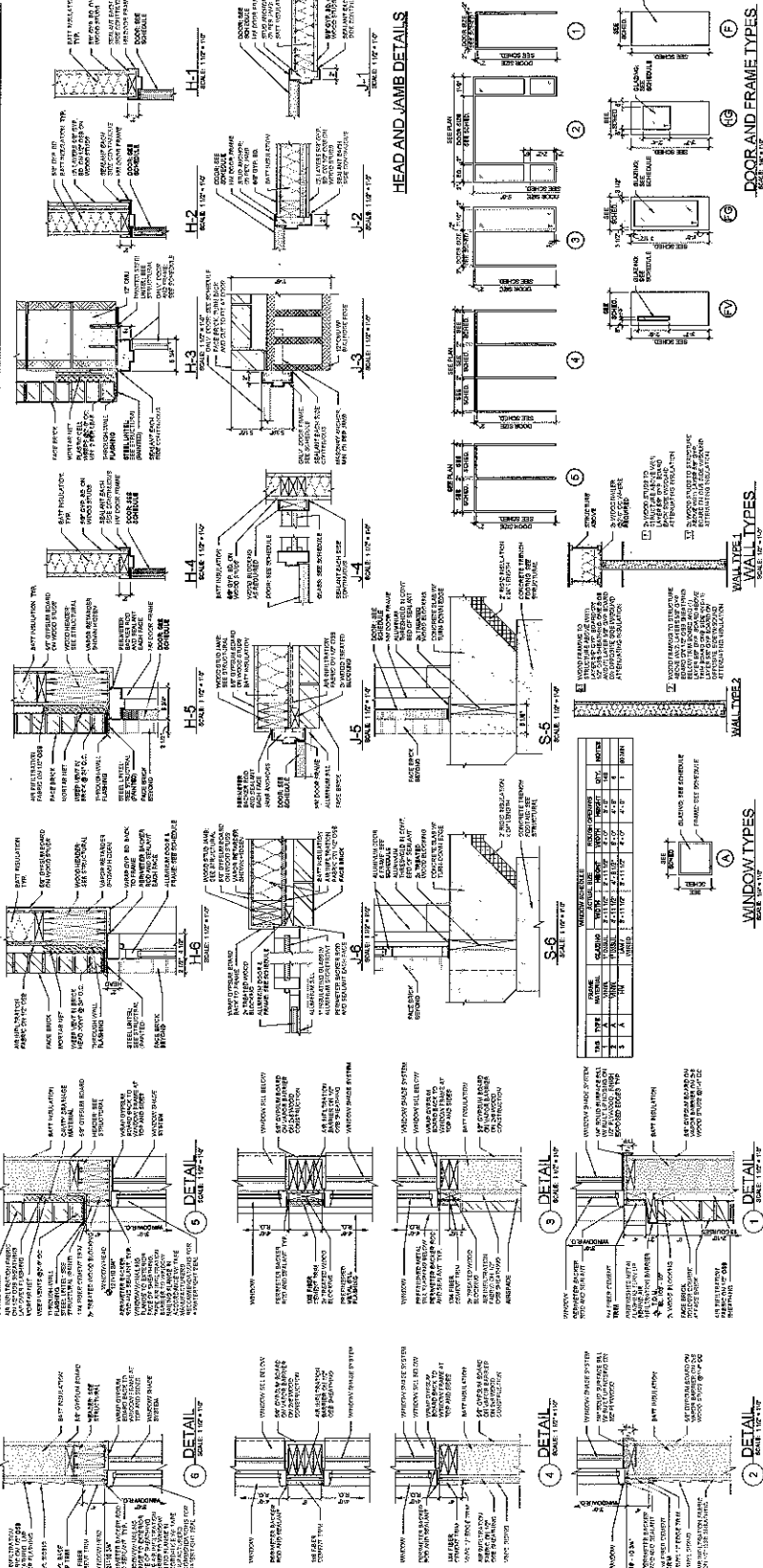
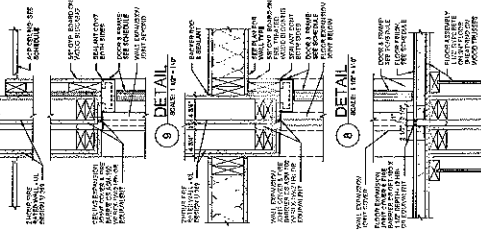
WEST EQUIPMENT PLATFORM PLAN
SCALE: 5/8" = 1'-0"

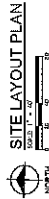


SECOND FLOOR PLAN



FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"

[illegible]



SITE LAYOUT PLAN

1" = 40'

0 16 32 48 64

PLAN